

The NATIONAL UNDERWRITER

Casualty, Fidelity and Surety Reinsurance

GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

E. H. BOLES, Pres. • W. W. GREENE, Vice-Pres and Secy. • E. A. EVANS, Vice-Pres. • ROBERT B. CROFTON, Vice-Pres.

Condensed Financial Statement, June 30, 1935

<i>Assets</i>	
Cash in Banks and Offices.....	\$ 667,907.46
Investments:	
Bonds.....	\$4,511,509.58
Preferred Stocks.....	552,081.25
Common Stocks.....	2,483,389.00
North Star Insurance Co. Stock.....	970,131.98
Mortgages.....	250,200.00
Real Estate.....	325,500.00
	9,092,811.81
Premiums in course of collection (not over 90 days due).....	663,527.25
Accrued Interest.....	50,512.12
Other Admitted Assets.....	147,025.43
	\$10,621,784.07
<i>Liabilities</i>	
Reserve for Claims and Claim Expenses.....	\$ 5,324,895.95
Reserve for Unearned Premiums.....	1,867,318.20
Reserve for Commissions, Taxes and Other Liabilities.....	406,629.02
Capital Stock.....	\$1,000,000.00
Surplus.....	2,022,940.90
Surplus to Policyholders.....	3,022,940.90
	\$10,621,784.07

Bonds are valued on amortized basis; stocks at June 30, 1935 market quotations. The value of bonds at June 30, 1935 market quotations exceeds the amortized value by the amount of \$84,321.05. If the bonds owned by North Star Insurance Company were valued at market quotations, the value of the Capital Stock of that Company owned by General Reinsurance Corporation would be \$8,814.80 more than is shown above. • Securities carried at \$779,999.96 in the above statement are deposited for purposes required by law.

Reinsurance of Fire and Allied Lines

NORTH STAR INSURANCE COMPANY

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

E. H. BOLES, President
A. R. W. WANG, Vice-President and Secretary
JESSE E. WHITE, Vice-President
ROBERT B. CROFTON, General Agent

Condensed Financial Statement, June 30, 1935

<i>Assets</i>	
Cash in Banks and Offices.....	\$ 271,247.21
Investments:	
Bonds.....	\$1,335,621.89
Preferred Stocks.....	108,275.00
Common Stocks.....	1,540,535.75
Mortgages.....	48,500.00
	3,032,932.64
Balances due from Ceding Companies (not over 90 days due).....	123,568.31
Accrued Interest.....	16,133.08
	\$3,443,881.24
<i>Liabilities</i>	
Reserve for Claims and Claim Expenses.....	\$ 222,948.44
Reserve for Unearned Premiums.....	883,231.00
Reserve for Commissions, Taxes and Other Liabilities.....	26,062.74
Capital Stock.....	\$ 600,000.00
Surplus.....	1,711,639.06
Surplus to Policyholders.....	2,311,639.06
	\$3,443,881.24

Bonds are valued on amortized basis; stocks at June 30, 1935 market quotations. The value of bonds at June 30, 1935 market quotations exceeds the amortized value by the amount of \$20,941.55. • Securities carried at \$31,210.72 in the above statement are deposited for purposes required by law.

Agency minded cooperating companies.



Note the organization dates—
three of these companies are *over*
a century old.

Age and records of *past performances appeal to the agent*
who is building for the future
with an eye on the past.

(STATEMENTS OF DECEMBER 31st, 1934)

	<i>Capital</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Surplus to Policyholders</i>
*United States Fire Insurance Co. Organized 1824	\$2,000,000	\$25,384,876	\$11,596,209	\$13,788,667
*The North River Insurance Co. Organized 1822	2,000,000	18,278,958	7,033,365	11,245,593
*Westchester Fire Insurance Co. Organized 1837	1,000,000	15,510,408	7,728,138	7,782,270
The Allemannia Fire Ins. Co. of Pittsburgh. Organized 1868	1,200,000	4,717,134	1,752,730	2,964,404
*Richmond Insurance Co. Organized 1907	1,000,000	3,908,160	1,443,159	2,465,001
Western Assurance Co., U. S. Branch. Incorporated 1851	400,000**	3,942,586	1,714,591	2,227,995
British America Assurance Co., U. S. Branch. Incorporated 1833	200,000**	2,284,313	961,863	1,322,450
Southern Fire Insurance Co., Durham, N. C. Incorporated 1923	200,000	1,255,531	398,327	857,204

*Company operates under Sections 130-1-2 of the New York Insurance Law.
**Statutory Deposit—New York Insurance Law.

CRUM & FORSTER

MANAGERS

110 WILLIAM ST.

NEW YORK

WESTERN DEPT.
FREEPORT, ILL.

PACIFIC DEPT.
SAN FRANCISCO

SOUTHERN DEPT.
ATLANTA

ALLEGHENY DEPT.
PITTSBURGH

CAROLINAS DEPT.
DURHAM, N. C.

Fire Prevention Week had its annual observance this month. But what of the next week? And the week following that? And all the other weeks which should be devoted to fire prevention? Part of the answer will be provided by fire insurance agents in their daily rounds. Theirs is the greatest effort of all toward making every week in the year Fire Prevention Week.

**AMERICAN EQUITABLE ASSURANCE COMPANY
OF NEW YORK**

Organized 1918

Capital, \$1,000,000.00

**GLOBE & REPUBLIC INSURANCE COMPANY
OF AMERICA**

Philadelphia, Pa.

Established 1862

Capital, \$1,000,000.00

**KNICKERBOCKER INSURANCE COMPANY
OF NEW YORK**

Organized 1913

Capital, \$1,000,000.00

**MERCHANTS AND MANUFACTURERS FIRE
INSURANCE COMPANY**

Newark, N. J. Chartered 1849 Capital, \$1,000,000.00

NEW YORK FIRE INSURANCE COMPANY

Incorporated 1832

Capital, \$1,000,000.00

SUSSEX FIRE INSURANCE COMPANY

Newark, N. J. Organized 1928 Capital, \$1,000,000.00

CORROON & REYNOLDS
Incorporated
Manager

92 William Street

New York, N. Y.

DEPENDABLE INSURANCE SINCE 1863

Multiple Line Facilities

The agent who represents a company of the Fireman's Fund Group can offer nationwide facilities for writing practically every form of insurance except life. He can sell with unbounded confidence and assurance, knowing that the policies of these companies are —

backed by

STRENGTH
PERMANENCE
STABILITY

Fire · Automobile · Marine · Casualty · Fidelity · Surety

FIREMAN'S FUND GROUP

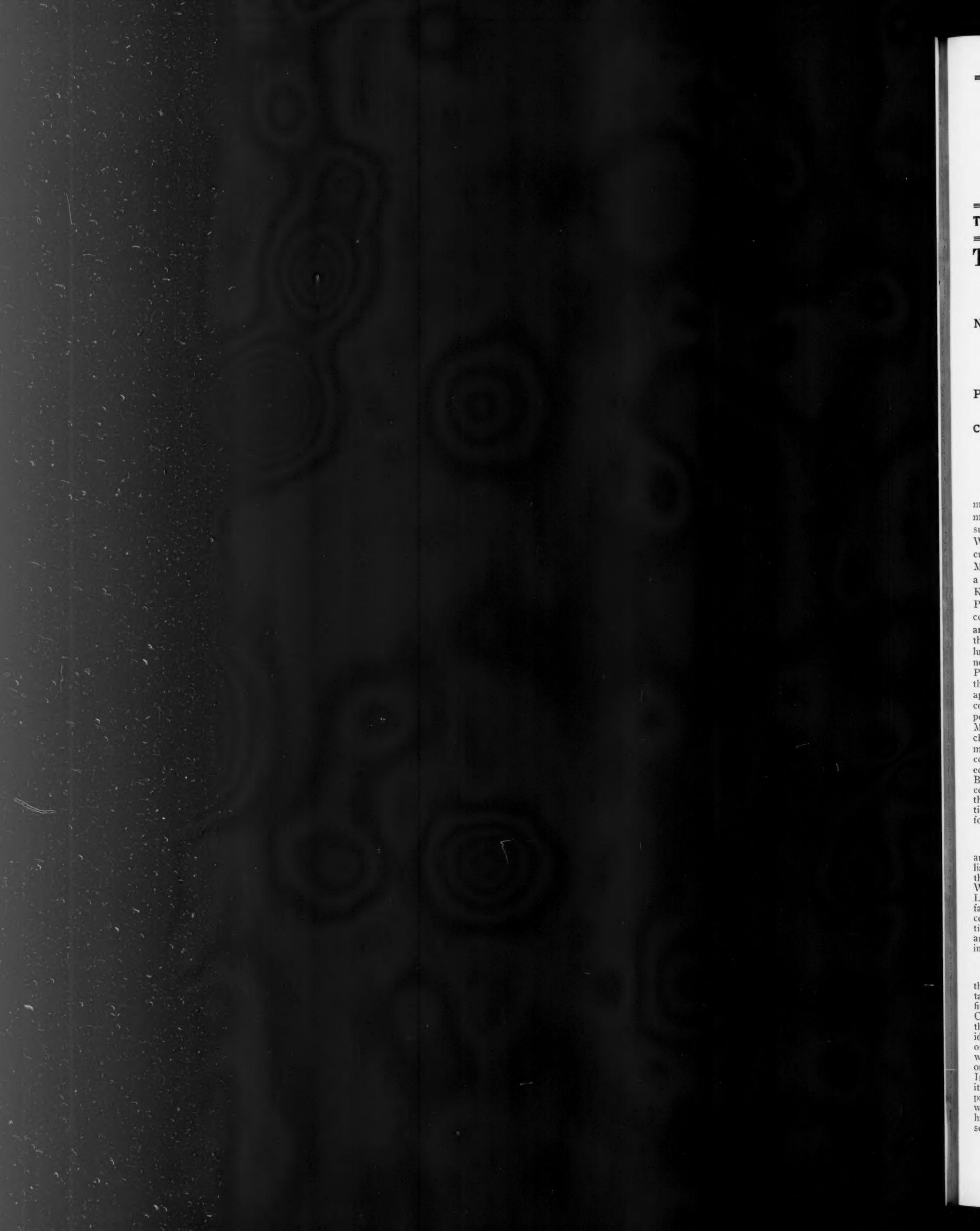
Fireman's Fund Insurance Company — Occidental Insurance Company

Home Fire & Marine Insurance Company

Fireman's Fund Indemnity Company — Occidental Indemnity Company

New York · Chicago · SAN FRANCISCO · Boston · Atlanta





The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

Thirty-Ninth Year—No. 42

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 17, 1935

\$4.00 Per Year, 20 Cents a Copy

Three New Men on Committee Rolls

National Association of Insurance Agents Announces Its Executive Cabinet

PRIEST IS FINANCE HEAD

C. V. Davis of Wyoming, W. H. Menn of Los Angeles and A. B. Dunbar Are Given Places

Much interest is taken in the appointment of members of the executive committee of the National Association of Insurance Agents by Chairman W. Owen Wilson of Richmond, Va. According to custom, Edwin J. Cole of Fall River, Mass., the retiring president, was given a place on the committee. President Kenneth H. Bair of Greensburg, Pa., is ex-officio member of the committee. Aside from Mr. Wilson there are three former members reappointed, they being Charles F. Liscomb of Duluth, Frank T. Priest, Wichita, and Sidney O. Smith of Gainesville, Ga. Mr. Priest, in addition to his membership on the executive committee, was reappointed as chairman of the finance committee, a very important one and a post that he has filled with distinction. Mr. Smith has been assigned to the chairmanship of the membership committee, thus throwing the head of the committee in the direct hands of the executive committee. Albert Dodge of Buffalo, who retires from the executive committee, will continue as chairman of the committee on publicity and education with which he has been identified for many years.

New Members on Committee

The new members on the committee are C. V. Davis, Sheridan, Wyo.; William H. Menn of Los Angeles and Arthur B. Dunbar of Omaha. Allan I. Wolff of Chicago, Eugene Battles of Los Angeles and Albert Dodge of Buffalo are the retiring members of the committee. The committee thus continues the strength of the previous one and the organization is assured of very intelligent direction.

Davis a Wyoming Leader

Mr. Davis is the first appointment on the executive committee from the mountain field for many years. He is well fitted for the job. He was born near Crookston, Minn., in 1882, moved from there to Decatur, Ill., and then to Sheridan in 1908. He established the agency of C. V. Davis & Co. at that time. He was one of the instrumental factors in organizing the Wyoming Association of Insurance Agents in 1931, was elected its first vice-president and served as its president during the second year. He was made national councillor in 1934. He has attended some of the National association conventions and at the Roch-

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Agent Victim of One-Sided Arrangement, Bennett Says

ADDRESSES OKLAHOMA MEET

Charges That Companies Demand Adherence to Organization Edicts But Issue Oppressive Rules

Speaking to the subject: "The Doctrine of Reciprocity," W. H. Bennett, secretary of the National Association of Insurance Agents, charged the management of organizations in the company field with demanding the allegiance of agents without offering to improve the conditions under which agents operate, in an address before the annual meeting of the Oklahoma Association of Insurers in Oklahoma City.

Mr. Bennett declared company management leans heavily upon agents in the various states to do what the companies cannot do for themselves. At the same time, he charged, combined action is taken that seriously affects the agency system as an institution.

"The agents today," he declared, "are met with demand from company managements that they consent and adhere to the edicts of company organization. At the same time practically all oppressive rules, regulations and demands about which the agents complain are impinged upon the business by these same company boards, bureaus and associations.

"There are incessant and vigorous declarations from organized companies that agents owe their allegiance to such; that it is bad business to represent any other. But when a suggestion is made that the organization companies leaven the loaf with a little bit of reciprocity, the idea is scorned with the dictum that companies must be left perfectly free to do those things their judgment dictates regardless of the consequences to agents."

Recalls Former Stand

Seven years ago, Mr. Bennett recalled, the National association declared that until reciprocal arrangements can be made between organized agents and organized companies with reference to company-agency representation, the association should not be committed to the support of or in opposition to any company because it does or does not belong to a company organization. However the association recognizes that the support of members should be pledged to those companies operating in accordance with the association's principles.

"Just how long a one way street should remain the only highway was the paramount question at our last convention and just how much longer the loyal agents will render the desired allegiance is a question that the companies should be thinking about."

Year by year agency unrest has increased because of increasing hardships imposed on the agency system, he charged. It is not surprising, he declared, that an epidemic of non-organization company representation is appearing.

Although individually company executives are polite, tactful, intelligent, thoughtful and generous, in group meetings they show no inclination to attack the wrongs of the business, he declared.

There are faults among the agents, he declared. Most of the complaints on this

F. C. Snapp Named Manager of New State Farm Fire

RESIGNS AETNA FIRE POST

Well Known Farm Manager Takes Important Position with the Bloomington Organization

Announcement is made this week of the appointment of Fred C. Snapp of Chicago as vice-president and manager of the recently organized State Farm Fire of Bloomington, Ill. Mr. Snapp resigns as farm manager in the western department of the Aetna Fire to take this position. He is one of the best known farm department executives.

The State Farm Fire is a stock company that was organized as a running mate to the State Farm Mutual Automobile and the State Farm Life of Bloomington.

Much Interest in Course

The entrance of the Bloomington organization into the fire insurance field has occasioned much interest and the course it pursues will be watched with interest. The automobile company claims to have about 400,000 policyholders and it has had a meteoric career. The appointment of an executive of the type of Mr. Snapp indicates that the fire company is to be a serious contender.

Associated with Mr. Snapp as assistant manager will be J. C. Burns, Jr., who has for the past three years been connected with the State Farm organization in the agency and legal departments.

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score could be removed through a closely knit, efficient, working local board, he said. In many places the local board in conjunction with the insurance department has eliminated many undesirable agency appointments. Companies, he said, should not want to appoint "misrepresentatives." They are appointed, he contended, because of an insatiable desire for more and more premium income on the theory that the greater number of agents the greater the premium return.

Mr. Bennett concluded by asserting the belief that the agents will have to continue their campaign for selectiveness through more stringent licensing laws and more convincing arguments with state departments that their cause is just.

Expounds Doctrine of Organization

Manager Thomas of W. U. A. Takes Important Message to Oklahoma Agents

TOO MUCH COMPLACENCE

Predicts Competitive Pace Will Increase With Good Old Days Never to Return

Charles F. Thomas of Chicago, manager of the Western Underwriters Association, in appearing before the annual meeting of the Oklahoma Association of Insurers in Oklahoma City this week, expounded some of the underlying theories on which the organization companies justify their program for the maintenance of clear agencies. The address was an elaboration, to a considerable extent, of the talk Mr. Thomas made last June before the annual meeting of the Kentucky Association of Insurance Agents.

Observing that this period of low burning rate coupled with the relative scarcity of new business, has produced new forms of competition, Mr. Thomas said there is no reason to believe that the pace for acquisition of fire business will subside, but there is every prospect that it will quicken as the years go by. The easy going days of 25 or 30 years ago will never again appear, he said. Mr. Thomas averred that many in the business have been sitting back and waiting for the return of the good old days and in the meantime the non-organization stock companies and mutuals and reciprocals "have moved up with a surprise attack."

Too Much Complacence

Mr. Thomas said the organization stock fire companies and the local agency system are suffering from an inadequate defense. There has been too much complacence.

Mr. Thomas outlined in considerable detail the program of activities which have been developed by the organization stock fire companies and these, he said, are in the nature of a quasi-public service. This service has been taken too much for granted, he said.

The free lance institutions, he said, offer no plan to supplant the broad activities of organization. He declared they accept the principles of the organization in their broad application as a sound basis from which to project individual and specific guesses in the case of each separate risk.

He related an incident in a western city, saying that on the same day that school trustees were in session to consider the placing of fire insurance, for which the mutuals had submitted a cut rate bid, the mayor and city engineer were conferring with an engineer from the National Board. The latter conference was concerned with bringing about

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SPECIAL INSERTS

WISCONSIN

PAGES 28-30

OKLAHOMA

PAGE 31

Illinois Agents Preparing for Their Annual Meeting

ALVIN S. KEYS WILL PRESIDE

Topnotch Program Embraces Some of the Men High Up in the Business

The annual meeting of the Illinois Association of Insurance Agents at the Pere Marquette Hotel at Peoria next Wednesday is attracting wide attention because of the exceptional program that has been prepared. Alvin S. Keys of Springfield, who is rounding out two years as president, and who has made a remarkable record as head of the organization, will undoubtedly retire from office at this meeting and become chairman of the board, succeeding Rockwood Hosmer, Chicago, his immediate predecessor in office.

Budeler Slated for Presidency

Frank J. Budeler of Rock Island, the first vice-president, will in all probability be promoted to the presidency. Mr. Keys has given much time and thought to the organization. There will be an executive meeting in the morning when the president will give his address and there will be reports from the committee and discussions on subjects of vital interest to the agents. President Keys has maintained the organization on a sound financial basis and has increased the membership. He gave much time to legislative work.

In the afternoon there will be the three set speakers, they being Ray T. Nelson, deputy insurance superintendent of Illinois; George H. Moloney of Chicago, vice-president of the Hartford Accident & Indemnity in charge of the west, who will speak on excess limits in automobile insurance, and M. V. Campbell, marine superintendent of the Automobile of Hartford in Chicago, who will talk on some phases of marine insurance. President Keys will preside at the banquet and there will be two bang up speakers, they being Wilfred Kurth, president of the Home of New York, whose subject is "Reflections at Random," and Kenneth H. Bair of Greensburg, Pa., the new president of the National Association of Insurance Agents, who will speak on "Practical Idealism."

Will Honor Board Officials

At noon Wednesday there will be a luncheon tendered to the presidents and secretaries of all local boards who are in attendance by the administration, thus bringing the former in contact with the state officers and members of the board of directors.

Mrs. Lillian L. Herring of Chicago, assistant secretary of the Illinois association, will be in charge of the registration desk in Peoria and the general details of the meeting in connection with that office.

To Discuss Insurance Code

One of the big subjects to come before the meeting will be the insurance code which is to be included in the call for the special legislative session by Governor Horner. The agents are much interested in the code and will prepare to support it. They are particularly anxious also to have the brokers and agents' license law buttressed so that it will be restored to a point of efficiency as its foundations were shaken by the recent court decision at Springfield.

Next Tuesday evening the officers and directors of the state association will dine at the Pere Marquette and later will go to the home of J. Edward Martin of Peoria, vice-president of the association, to be his guests.

New Laboratories Director

MONTREAL, Oct. 16.—John Holroyde, Canadian manager of the Commercial Union, Montreal, has been elected a director of the Underwriters

New Mutual Head



J. J. FITZGERALD

J. J. Fitzgerald, secretary of the Grain Dealers National Mutual Fire of Indianapolis, was elevated to the presidency of the National Association of Mutual Fire Insurance Companies at the annual meeting last week in Des Moines. For the past year he had served as president of the Federation of Mutual Fire Insurance Companies. He is one of the real leaders of mutual insurance and is one of the outstanding insurance men of his state.

Laboratories of Canada to fill the vacancy caused by the resignation of W. E. Findlay, Canadian manager Springfield Fire & Marine.

Nine Legislatures to Convene

States in which legislatures are to convene after the first of the year are: South Carolina, Mississippi, Virginia, New York, New Jersey, Massachusetts, Kentucky, Louisiana and Rhode Island.

THE WEEK IN INSURANCE

Charles F. Thomas, manager of the Western Underwriters Association, delivers a message on organization stock fire companies before the annual meeting of the Oklahoma Association of Insurers. **Page 1**

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Fred C. Snapp of Chicago is appointed manager of the recently organized State Farm Fire of Bloomington, Ill. **Page 1**

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Three new members are appointed on the executive committee of the National Association of Insurance Agents. **Page 1**

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V. L. Gallagher, western manager of the Pearl, in a Chicago address, answers an anonymous broadside that was released against his company this week. **Page 5**

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Fred S. Stewart and Fred G. Krueger are appointed assistant managers in the new western department of the Pearl. **Page 4**

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Chicago Brokers Association asks Chicago Board for rate and rule changes to permit meeting non-board competition. **Page 6**

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J. J. Fitzgerald is elected head of National Association of Mutual Insurance Companies at annual meeting. **Page 4**

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Notable accident and health sales suggestions presented by speakers at Cleveland Sales Congress. **Page 14**

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C. A. Abrahamson of Omaha is elected president of the National Association of Casualty & Surety Agents at annual

Krueger, Stewart Western Department Aids of Pearl

NAMED ASSISTANT MANAGERS

Agency Man Transferred from Cleveland Office—Brokerage Man Has Been Chicago Agent

Vincent L. Gallagher, who arrived in Chicago last week to take up his new duties as manager of the western department of the Pearl-American group, this week announces the names of those who are to be his right hand men and where the western office is to be located.

Fred S. Stewart becomes assistant manager in charge of agency underwriting. Fred G. Krueger is appointed assistant manager in charge of the brokerage department.

The department which is now temporarily located on the 14th floor of the Insurance Exchange, will have permanent offices in 1221 Insurance Exchange. That is the space formerly occupied by the western department of the Eagle Star & British Dominions. The office will probably be opened about Nov. 1.

Careers of New Appointees

Mr. Stewart has been assistant secretary of the Monarch Fire and managing underwriter of the other companies of the group in their home offices in Cleveland. Before that he was chief underwriter in the western department of the Boston and Old Colony in Lansing, Mich. He attended the University of Michigan. He is well known to the agency force in the western territory.

Mr. Krueger has for many years been head of the well known Chicago agency of Fred G. Krueger & Co. Before entering the local agency business, he was assistant secretary in New York for the Crum & Forster companies, handling the middle department. He was promoted to that position from the western Pennsylvania field. He is a brother of A. A. Krueger, secretary of the Millers National of Chicago.

Mutual People Are to Shun All Antagonistic Material

TAKE STAND AT DES MOINES

J. J. Fitzgerald Is New Head of National Association of Mutual Insurance Companies

The National Association of Mutual Insurance Companies at its convention in Des Moines adopted resolutions endorsing the Michigan state-wide inspection law for rural electrical equipment, reiterating its opposition to valued policy legislation, and stating its belief that the principle of mutuality is best advanced by strict attention to carrying of the mutual message to policyholders and the omission of all antagonistic references in the discussion of competitors.

Prepared Slate Elected

The prepared slate of officers, as previously announced, was elected, J. J. Fitzgerald of Indianapolis being the new president, R. J. Chase, Lockport, N. Y., vice-president; H. P. Cooper, Indianapolis, secretary, F. B. Fowler, Indianapolis, treasurer, and W. E. Straub, Lincoln, Neb., national councillor to U. S. Chamber of Commerce.

Philadelphia Next Year

Philadelphia was unanimously selected as the 1936 convention city.

T. G. McCracken, National Retailers Mutual, Chicago, was named to the board of directors to succeed Mr. Chase whose term would have expired next year. All other board members whose terms expired were reelected. They are: A. E. Anderson, Cottonwood, Minn., Guy C. Eaby, Lancaster, Pa., L. A. Mingenbach, Stevens Point, Wis., Charles Holz, Buckley, Ill., and Frank P. Tucker, Albany, N. Y.

Retiring President B. Rees Jones was named past president ex-officio.

Favors Comprehensive Forms

The trend today is toward all-risk and multiple peril policies and the inland marine business, catering to public demand, is bound to prosper, T. M. Halloran of the Grain Dealers National Mutual Fire declared in his address.

Automobile writing companies no longer are recommending fire and theft insurance together with collision, P. L. and P. D. They recommend the comprehensive policy.

Casualty companies, Mr. Halloran said, realize that a general liability policy, and elevator liability policy and the other specific policies needed by their policyholders leave them without protection in a number of cases. Therefore, a few of the casualty companies have announced all-cover public liability policies.

Saving Money by Protection

"Mutual insurance will progress more rapidly not by saving a policyholder a portion of his premium for the specific perils insured against, but by saving him money by protecting him with insurance against the perils to which his business, his home, and his personal property, are exposed," the speaker declared.

Paul Parkinson, Hardware Mutual Casualty, was elected president of the advertising sales conference of the association. C. S. Crummett, American Mutual Liability, is vice-president, and Len K. Sharp, Mill Owners Mutual Fire of Des Moines, is secretary-treasurer.

Advice to "Ad" Managers

Every advertising manager should spend at least two weeks every year in the field, traveling with salesmen or agents, obtaining consumer reaction to advertising, Mr. Parkinson said.

The advertising manager should find out what happens to direct mail and determine the value of present sales helps.

(CONTINUED ON PAGE 25)

Answers Nameless Slam at the Pearl

Vincent L. Gallagher Replies to the Rumors in "Broadstreets Bulletin."

MAKES CHICAGO TALK

New Western Manager Takes Cognizance of Printed Material Mailed to Hundreds From Philadelphia

NEW YORK, Oct. 16.—U. S. Manager C. S. Conklin of the Pearl announces that on Oct. 11 he received notice from the Bankers Trust Company, United States trustee of the Pearl, that a remittance of \$2,500,000 had been received from the London head office of the Pearl and placed to the credit of the U. S. branch. The rapid increase in business, necessitating increases in premium reserve, was ascribed by Mr. Conklin as the reason for the transaction. This brings the surplus to policyholders of the U. S. branch to about \$4,500,000, he said.

The talk of Vincent L. Gallagher before the annual meeting of the Chicago Insurance Agents Association Tuesday centered largely about the anonymous, printed rumors about the Pearl which were mailed in plain envelopes from Philadelphia, and reached the desks of hundreds of insurance men Monday morning of this week. Mr. Gallagher had just arrived in Chicago to open a new western department for the Pearl.

This mailing piece was entitled "Broadstreets Bulletin." Incidentally many of those who received this associated the name with that of Dun &

Insurance Code Up in Illinois Special Session

SPRINGFIELD, ILL., Oct. 16.—It is generally known in official circles that Governor Horner in issuing the call for a special session of the legislature will include the insurance code as one of the subjects to come up. There has been considerable doubt as to whether this would be done in view of the fact that Governor Horner desires his special welfare program to be put through without any controversial subjects interfering. The first thought was that there would be a second special session at which time the insurance code and the drivers' license bill would come up. However, the administration decided that there will be only one special call and so these two subjects will be comprised in it.

The call will be for Oct. 22 or Oct. 29.

Bradstreet, as was perhaps intended, and accepted the contents as gospel. The enclosure carried the words "personal and privileged," the word privileged being misspelled.

Reads the Enclosure

Mr. Gallagher read the enclosure. It asserted, all on "reliable authority," that the 1934 statement of the Pearl has not been approved by the insurance department and the required quarterly statements as of March 30 and as of June 30 have not been filed.

"Broadstreets Bulletin" asserted "on reliable authority," that auditors have been unable to arrive at the true situation of the company because of the "chaotic condition of its books." It went on to say that thousands of losses have not been entered and hundreds have not been reported to the reinsurers. It continued by alleging there is a difference in the claimed surplus of the company of \$1,000,000.

(CONTINUED ON PAGE 25)

Need for Rate Cut Is Not Indicated, Pink Asserts

New York Superintendent Says Five Year Experience Must Be Considered

Fire insurance people were much interested in the observations of Insurance Superintendent Pink of New York on the low loss ratio situation in his address before the dinner meeting of the Binghamton Fire & Casualty Insurance Club at Binghamton, N. Y.

"If the present low loss ratio continues, further reductions in rate will be made," he declared. "But it must be remembered that rates cannot properly be based on the experience of a few exceptional years. The law wisely requires that the superintendent order an adjustment of fire rates when the profit derived is excessive for a period of not less than five years.

Drastic Cut Not Indicated

"While the study should continue and rates should be revised from time to time as experience dictates, there is no ground for further immediate and drastic reduction at this time.

"The picture of the fire companies gloating over their sudden wealth is hardly a correct one," he continued. "The fire companies are as much concerned as anyone over their recent prosperity. They realize they are engaged in a public business and their profits, while steady and secure must be reasonable. They know that if this prosperity continues, rates must come down. They are fearful that it will not last and that there will be an agitation for rate reduction based upon the recent decrease in losses and not justified over a long period of time.

"It is for this reason that we must go slowly and carefully in making further reductions of rate. We must first ascertain from experience over a period of years that the recent low loss ratios will

probably continue. We must take into consideration the fact that while some branches of the business have been carried on with a profit others are conducted either with no profit or at a loss.

"It is difficult to charge farm buildings an adequate rate because it would be ruinous. It is difficult to assess buildings in unprotected areas where there is no adequate fire protection the amount that they should proportionately pay. While the ideal is to make each branch of the industry self-sustaining and give it the benefit of its savings, there are general costs, expenses and losses which must be spread over the entire industry.

"Then, too, there is the question of unusual hazards. We never know when some great calamity will occur which will cost the companies dearly. Surpluses must be built up and made adequate to meet any contingency which may arise. It is for the benefit not only of the companies but of the assured that this be done. Insurance must guard against 'unknown, unforeseen and unpredictable contingencies' as well as against dangers and losses which are known and measurable."

Automobile Liability Issue

The title of Mr. Pink's address was "The Public Makes the Rates." Mr. Pink emphasized the point that the public can, at its will, lower or raise fire premiums, automobile, burglary and practically all other forms by decreasing or increasing the hazard. The rate maker depends upon the past for his material and endeavors to project the past events into future probabilities.

Referring to automobile liability, he said the claim frequency for some years past has shown an increase. In 1928, passenger cars had 6.8 claims involving bodily injuries per hundred cars. This increased to 7.4 in 1932. The loss ratio for the five years ending with policy year 1933 is 54 percent. In none of these years was the loss ratio more than 2.6 percent in excess or 4.4 percent less than

(CONTINUED ON PAGE 25)

EXPLOSION RUINS PLANT, DAMAGES OTHER PROPERTY



Much interest is being shown by insurance people in the various aspects of the explosion in the Chicago plant of the Glidden Soya Products Company. A coroner's jury of technicians has been selected and its report will be awaited with interest. Various theories have been advanced as to the source of the explosion but it remains a mystery and it is believed that officials of the com-

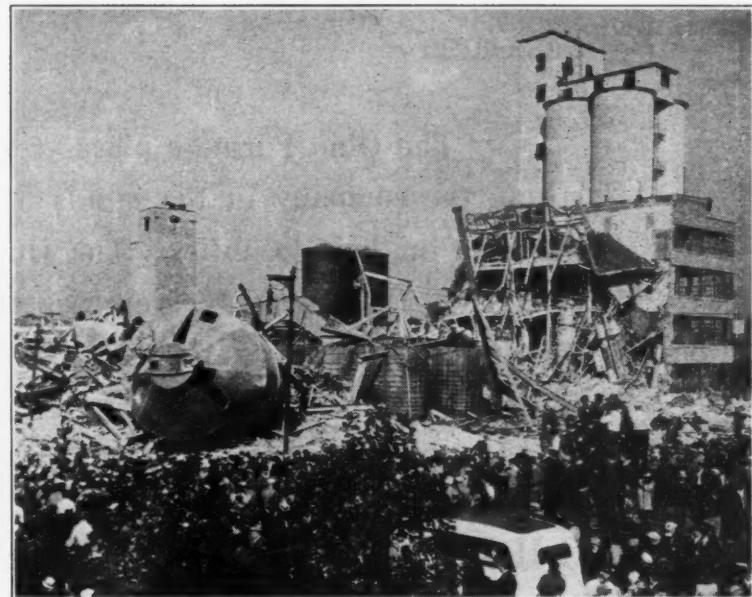
pany itself are not certain of just where it started.

Property in the vicinity was damaged to the extent of perhaps \$75,000. One of the pictures above shows the interior of a kitchen of a residence half a block away. Whether the owner carried the supplemental contract is not known but it should prove a good argument for the purchase of such insurance by persons

living anywhere in the neighborhood of an industrial concern.

Just how the fire coverage on the plant itself was distributed is not known. It was written by R. A. Corroon & Co. and presumably one or more of the Corroon & Reynolds companies were substantially interested. The use and occupancy insurance was handled by L. E. Yager & Co., of Chicago and was distributed

among six companies. The Glidden Company was self-insured for compensation with an excess cover with the Employers Reinsurance and it carried public liability insurance for \$10,000 limits in the General Accident. It is also reputed to have been protected with a public liability excess cover. It did not have insurance covering damage to the property of others.



Chicago Brokers in Plea for Weapons in Competition

NON-BOARDERS TAKING LINES

Association Committee Confers with Board Leaders, Asks Several Changes in Rates, Rules

Request has been filed with the Chicago Board by a special committee of the Insurance Brokers Association of Illinois for a number of changes in rules and rates to meet non-board competition and other problems which are distressing the brokers. President R. M. Redmond of the Brokers Association headed the committee in a conference with the executive committee of the board and read a statement outlining the brokers' views. Another meeting is scheduled for Thursday to discuss ways and means of accomplishing the desired results.

Substance of Demands

In brief, the brokers ask for rule changes to permit certain rate reductions to meet non-board competition, for elimination of the \$1 service charge, for a commission differential in favor of full-time brokers, and for elimination of the alleged practice of reducing brokers' commissions when competitive rates are quoted. The brokers, while iterating loyalty to stock organization companies and the Chicago Board, stated they could not at present recognize the board's right to punish brokers for taking steps to save their businesses.

President Redmond declared that brokers could not be expected to sit idly by and see their bread and butter taken away without doing anything about it. He emphasized that the brokers adhered to the board rules but he said the present conditions under which they must

conduct their business under board rules are disheartening.

He emphasized the great competition for single occupancy risks of considerable size. On these he said the commission interest is so large that brokers cannot permit the business to be taken away by preferential rates from outsiders. The brokers find that this business when lost can never be regained. The brokers committee asked the board to correct this evil by changing the rules to permit rate modification by allowance of special credits for good house-keeping and conditions better than average.

The tendency to reduce commissions of brokers in order to meet competition also was deplored by the committee, such as business written through the Interstate Underwriters Board and various pools, and on superior risks. President Redmond said the brokers were not opposed to the overriding agent getting a fair return for his labor, but felt that producers devoting their full time and efforts exclusively to the insurance business should receive a differential in commission.

Want End to Service Charge

The brokers also asked elimination of the \$1 service charge as of Jan. 1 pointing out that on HOLC policies the charge was waived on and after Sept. 13 by a special bulletin of the board. "We never have challenged the legal right of the Chicago Board to regulate the business and penalize offenders for violation of commission rules," Mr. Redmond said in the meeting. "However there is grave doubt in the minds of this committee as to the board's ultimate right to do so. The association welcomes and subscribes to the general intent and purposes of the board as a medium for enforcing fair practices and proper conduct among members as well as operation of rating bureau, and to promote and maintain equitable rates for fire companies in Cook county.

"Until such time as companies and agents constituting this board in sub-

September Losses Below August, Above 1934 Figure

NEW YORK, Oct. 16.—The nation's fire loss for September, the National Board states from returns filed with it, aggregated \$16,641,882, a decrease of 8.2 percent from the previous month's record, but higher by 2.5 percent than that of September, 1934. The addition of the September figures increases to \$190,553,202 the total losses for the first nine months of the year. For the same period of 1934 and 1933 respectively the aggregates were \$213,405,563 and \$245,351,712. September, 1934, figures were \$16,243,870 and for 1933, \$20,447,571.

scribing to its maintenance shall prevail successfully upon such companies and agents who now accept business from non-board companies, reciprocals and mutuals organized either directly or as reinsurers, or otherwise engaged in unfair practices, we do not propose to acknowledge the Chicago Board's right to penalize brokers who by reason of this very condition are compelled to seek non-board carriers to protect their very livelihood."

The brokers' stand was the outcome of replies to a questionnaire sent to members of their association asking whether they would be willing to accept 25 percent flat on fire business plus contingent commission, and also whether they felt the brokers were entitled to select their own market for placing business.

Brown Heads Secretaries' Group

DETROIT, Oct. 16.—George Brown, veteran executive secretary of the Michigan Association of Insurance Agents, who presided over the initial conference of state association secretaries at the National association convention, has been selected as chairman of the group.

His office at 403 Ford building will be used as a clearing house for data of interest to the secretaries respecting the handling of membership drives, dues collections and other matters pertaining to the operation of state associations. Successful methods and plans will be disseminated to the group through this medium from time to time.

U. S. Supreme Court Refuses to Review Several Suits

WASHINGTON, Oct. 16.—Selecting its calendar for the new term, the United States Supreme Court Oct. 14 disposed of more than 12 insurance suits by refusing to review decisions of lower courts. Among these were:

Provident Life & Accident, vs. Fannie Brice Dance, seeking review of decision of fifth circuit court of appeals holding company liable under an accident policy which it had contested on the ground the insured met death while driving under the influence of liquor.

Pennsylvania Indemnity vs. Commissioner of Internal Revenue, seeking review of decision of third circuit court of appeals holding that purchase of certain securities from subsidiaries of the company did not constitute a "normal business transaction" and upholding decision of United States board of tax appeals denying deduction of loss resulting therefrom.

Associated Indemnity vs. Alberta Wilson, seeking review of decision of fifth circuit court of appeals involving application of Texas workmen's compensation laws.

Royal-Liverpool Conferences

Field men of the Royal-Liverpool groups in Illinois, Indiana and Wisconsin gathered in Chicago last week for a conference with Western Manager E. W. Hotchkin from New York. Mr. Hotchkin journeyed to Minneapolis to confer with another group this week.



RESPONSIBILITY

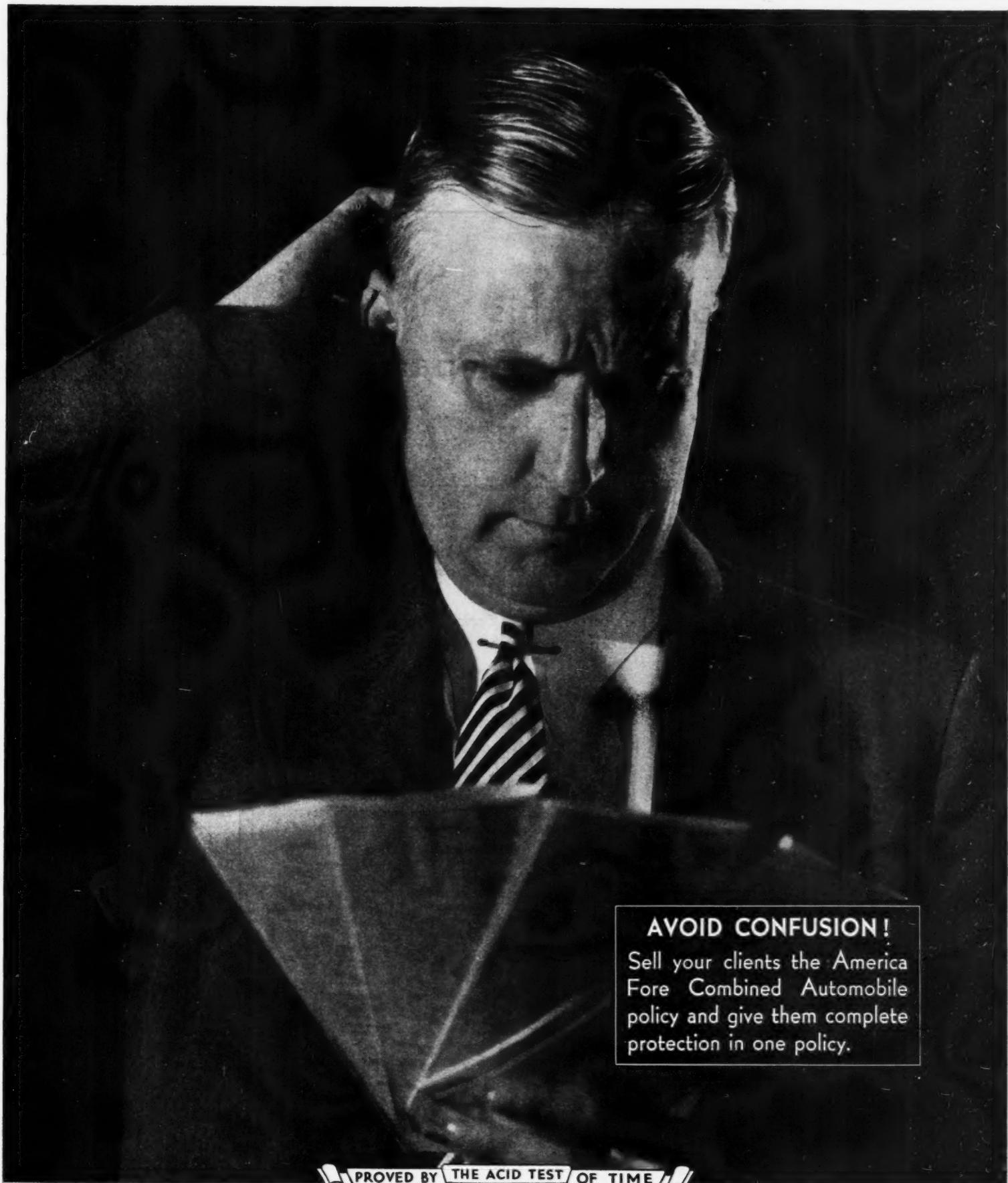
The Ohio Farmers places responsibility in its agents, as they constitute the company in the minds of their insureds. They are the Ohio Farmers in their localities. The Ohio Farmers relies on the opinions of its agents, they being the representatives in their particular place. Considering the agents to be real insurance men, the Company places great responsibility upon them.

OHIO FARMERS INSURANCE COMPANY
LeRoy, Ohio

FIRE

TORNADO

AUTOMOBILE



AVOID CONFUSION!

Sell your clients the America Fore Combined Automobile policy and give them complete protection in one policy.

PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane.



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

NEW YORK NEWS

REMOVE 50 CENT CHARGE

The New York Fire Insurance Exchange has rescinded the 50 cents additional charge which has applied in certain congested districts to the regular minimum rates for household furniture in brick apartments, frame apartments, brick stores and dwellings, frame stores and dwellings and to the final card rates for contents of all specifically rated risks

of these classes. The rescission is effective as to policies effective Aug. 1, 1935. G. W. Graham, Hartford Fire, was elected a member of the arbitration committee for the unexpired term of W. E. Gildersleeve, Jr., resigned.

* * *
HEAR PLEA ON CONTINGENTS

After hearing appeal of a committee of New York suburban agents for increase in contingent commission, representatives of the company governing organization promised to give the matter further attention and advise of their decision later.

In support of their plea the agents contended they are subjected to more vigorous competition from brokers than are local men in any other section; that by virtue of the proximity of the territory to home offices, the special agency expense for supervision is limited, and little of field men's time is required to consider problems. When problems develop agents, as a rule, go direct to company headquarters.

Commissions in the New York suburban territory are 20 percent flat, plus 5 percent contingent. Agents ask the latter figure be doubled.

"I consider this the most valuable company in my office . . ."

A strong statement, but one which we are mighty glad to have made about us. We believe that the standing of a company with its agents is a sound gauge of that company's work with agents. And we have a feeling that the recommendations of present agents have helped considerably in the appointment of more than 200 new representatives so far this year.

The quotations below are from letters received since Spring. To interested agents who would like to ask specific questions, we shall be glad to supply names and addresses.

To the Empire State:

"This letter is to let the Empire State organization know how very much I appreciate the many courtesies and services they have shown me. The entire organization from the Home Office folks down through the State agent in the field have more than justified the confidence I placed in them when I first admitted the Empire State to my Agency. *I consider this the most valuable company in my office and I am more than proud to be its local representative.*

"I have never asked for assistance that someone within this organization has not been able to help me. And what is best of all, this assistance or advice has always been offered completely and without any 'strings' being attached to it. Relationships such as I have enjoyed with the Empire State organization are a part of what helps make life worth living—and during depression times, are what keeps one in business."

To the Agricultural:

"I am using your good Company for two reasons. First, because it belongs in a class of companies which I personally believe are the backbone of the insurance business. They pursue the even tenor of their ways, subscribe to, and what is more important, live up to the rules and regulations prescribed for the business. While aggressive, they do not overstep the bounds of fair competition and sound underwriting practices in securing volume. They are companies of moderate size, well-managed and the 'throne' is not too far removed from the lowly agent.

"Second, on account of the intimate and friendly relationship it is possible to enjoy in companies of this type, we receive much more favorable consideration in the way of service and always feel comfortable when placing our business with them. *If we should attempt to reduce the number of companies represented by us, the Agricultural would not even be considered in the reduction.*"

When may we send our Fieldman to give you the story back of these relationships . . . to interest you in taking on one of our companies?

Empire State
Insurance Company
of Waterbury, N.Y.

Every type of property insurance for industry and the home.

Agricultural
Insurance Company
of Waterbury, N.Y.

Daniel Wants Restrictions on the New Organizations

TEXAS COMMISSIONER'S VIEW

Tells Governor He Favors More Stringent Regulations Governing Promotions, Tightening Investment Laws

Commissioner Daniel of Texas, in his annual report to the governor for the fiscal year ending Aug. 31, recommends legislation making more stringent the regulations governing organization of companies. A more substantial capital stock and an adequate reserve should be required of new institutions.

He recommends a law prohibiting a company from investing more than 5 percent of its assets in a home office building or loaning more than a reasonable percentage to any one person, firm or corporation or investing same in any one project.

The law governing organization and operation of mutual assessment companies should be made more stringent and a higher degree of solvency required. All policies and rates should be approved by the department and rates should be adequate to guarantee payment of losses.

Mentions Tax Ferrets

Texas has been employing the firm of Merkle & Martin of New York, the tax ferrets, to examine the companies in an attempt to get taxes which Texas claims are due the state. Mr. Daniel said that this work has been suspended since April of this year. Between February, 1933, and April of this year, the state had collected \$256,400 in delinquent taxes.

He stated that there is in course of collection \$99,876, which he claims is due from the Cotton Insurance Association and its members. He expressed the belief that the state will eventually succeed in collecting it. He said there are further amounts that can be collected by proper investigation.

He said there is a continued and marked improvement in the financial condition of all companies during the year. There are now 805 insurance organizations under the supervision of the Texas department. Of these 295 are Texas organizations.

Likes Retaliatory Law

Mr. Daniel expressed gratification that the last legislature passed a retaliatory law.

The state-wide mutual assessment concerns, which were organized under an act passed a couple of years ago have increased their membership greatly this year. They have a total membership of 60,408 at the end of the year. They received from members \$1,343,052 in 1934 and paid losses of \$555,446.

Due to legislation passed by the last legislature, a large number of burial associations have sought to qualify under the local mutual aid law. There are now 108 local mutual aid associations in the state. They collected \$1,670,232 from members in 1934.

Mr. Daniel said the recent law providing for licensing of life, health and accident agents has had a salutary effect. Investigators have filed a number of complaints against agents and a number of cases are under investigation. With the enforcement of this law should come greater protection against unlicensed and unscrupulous agents and against twisting.

"We believe," Mr. Daniel said, "that this will also have a tendency to prevent misrepresentation of companies by the use of so-called statistics from unauthorized and unlicensed rating bureaus published yearly for the purpose of being shown to the public with the view of realizing as much financial return therefrom as possible and not with the purpose of rendering the public a real service and giving the public any information that they cannot get from the department simply by asking for it."

INSURANCE COMPANY of NORTH AMERICA

Philadelphia, Pa.

America's Oldest Fire and Marine Insurance Company

Financial Statement, June 30, 1935

ASSETS	LIABILITIES
Bonds and Stocks.....	\$77,568,249.19
Mortgages on Real Estate.....	24,425.00
Accrued Interest	323,129.80
Real Estate Philadelphia and New York City	5,513,769.78
Cash in Banks and Office.....	4,896,291.80
Premiums in Course of Collection ..	3,622,740.96
Reinsurance Claims on Losses Paid	48,979.14
	<hr/>
	\$91,997,585.67
	<hr/>
	\$91,997,585.67

Capital plus Surplus constitutes Policy Holders' Surplus
\$61,709,099.79

The Security Values used in this Statement are Market Values as of June 30, 1935

THE ALLIANCE INSURANCE COMPANY of PHILADELPHIA

PHILADELPHIA, PENNA.



*Financial Statement at Close of Business,
June 30, 1935*

ASSETS

Bonds and Stocks.....	\$8,489,351.37
Accrued Interest on above Bonds.....	65,429.34
Cash in Banks and Office.....	583,723.35
Premiums in Course of Collection.....	384,350.63
Reinsurance Claims on Losses Paid.....	552.98
	\$9,523,407.67

LIABILITIES

Reserve for Unpaid Losses.....	\$ 518,495.68
Unearned Premium Reserve.....	2,187,553.53
Deposits Reclaimable on Perpetual Policies.....	119,814.45
Reserve for Taxes and Other Expenses.....	207,083.83
Cash Capital.....	1,000,000.00
Surplus.....	5,490,460.18
	\$9,523,407.67

*Capital plus Surplus constitutes Policy Holders' Surplus
\$6,490,460.18*

**The Security Values used in this Statement are Market
Values as of June 30, 1935**

Boondoggling Movement Hits Insurance Business

PLANS FOR CENSUS ARE MADE

Some 30,000 Enumerators Are to Quiz
Every Company, Agent and
Broker in the Country

Insurance people are interested in the "boondoggling" plan of the federal government to conduct a census of insurance business with funds from the \$4,000,000,000 relief appropriation.

F. A. Gosnell of the federal census bureau called a conference of insurance leaders in Philadelphia where the plans were discussed. Among those on hand were J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters; W. E. Mallalieu, general manager National Board; Paul L. Haid, president Insurance Executives Association; Henry Swift Ives, Association of Casualty & Surety Executives; A. C. Charles, Inland Marine Underwriters Association; H. G. Kenagy, Life Insurance Sales Research Bureau; R. B. Crane, Life Presidents Association; J. B. Miller, National Association of Insurance Agents; F. A. Norton, Connecticut insurance department; V. Howell, Prudential; F. A. Eager, North America; J. Ray Donahue, U. S. F. & G.; J. S. Thompson, Mutual Benefit Life; A. M. Royal, Travelers; H. R. Bassford, Metropolitan; R. M. Conn, Grain Dealers National Mutual Fire; F. K. Connelly, Provident Mutual Life; John Glendening, Home of New York.

Much Expense Involved

The companies are not altogether delighted with the prospect since the business of getting up the information for the census takers will be expensive.

The census will cover the year 1935 and will be started shortly after Jan. 1. It will undertake to ascertain employment and payroll data, including breakdown of full time and part time employees separated into executives, office and clerical help, selling help and other employees. The survey will list total number of employees in their various classifications and the total salary paid.

There will be a monthly breakdown between full time and part time employees and there will be statistics on the number of male, female and Negro employees. It will cover operating expenses and premium income of the companies. Brokers and agents will be asked to give employment and payroll data, gross commissions from insurance sales, receipts from other sources, commissions received from real estate, received for legal practice, received for placing of loans or mortgages and any other income.

Dr. L. C. Lockley presided at the conference.

Some 30,000 census takers will be hired. They will be taken from the relief rolls. The work is expected to require about three months and will be in charge of A. W. Coombs and F. A. Gosnell.

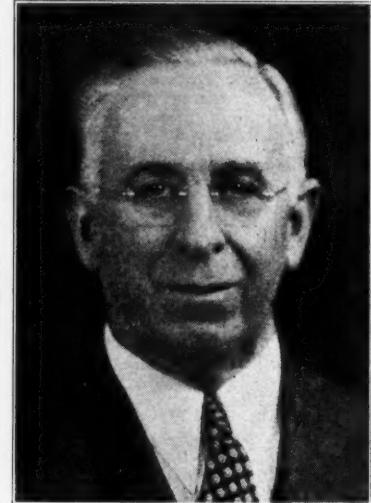
Wagner Head Claim Examiner

F. F. Wagner, Clinton, Conn., insurance and real estate man, has been appointed head claim examiner of the Connecticut department by Commissioner Blackall, succeeding Dunham Braman, who resigned to join the Connecticut General Life. Mr. Wagner also will have the duties of a junior examiner.

N. H. Moore Is Dead

N. H. Moore, who had been connected with the New York Underwriters 40 years prior to his retirement five years ago, died at the age of 72. For several years he was chief clerk of the New York Underwriters. He was confidential man for Alexander Stoddart, the founder of the New York Underwriters.

Makes a Change



FRED C. SNAPP

Fred C. Snapp, who becomes vice-president and manager of the new State Farm Fire of Bloomington, Ill., has been for several years farm manager for the Aetna Fire at Chicago.

Insurance Floats Feature Big Tercentenary Parade

HARTFORD, Oct. 16.—Almost an entire division of the 12 which made up the Connecticut Tercentenary Parade was given over to the insurance companies.

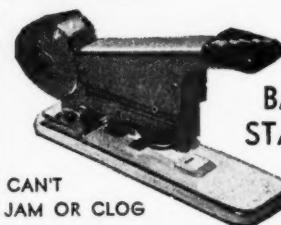
The Travelers showed the coming in 1687 of Governor Andros to demand the Connecticut charter. The scene was placed against the background of the Sanford Tavern, on the site of the present Travelers building. In the foreground was a small replica of the modern group.

The Aetna Fire group, which received the first mention in the commercial division, showed Mark Twain and several characters from his "Connecticut Yankee at King Arthur's Court" on a float which depicted a mediaeval castle with a moat and drawbridge. The Aetna Fire showed its seal, the rising sun.

In a setting which represented Chicago in 1871, Governor Jewell told a group of citizens that the loss from the fire would be paid in full. This was the contribution of the Phoenix Fire.

A group of girls in evening dress sat around a huge birthday cake, on the Hartford Fire float. The National Fire showed its seal, the symbol of indemnity. A streamlined float representing the "Mechanical Age," entered by the Hartford Steam Boiler, showed women's costumes from 1863 to the present time. On the float was a silver-tipped gear wheel and wings.

FREE 10 DAY TRIAL



**BATES
STAPLER**

CAN'T
JAM OR CLOG

Makes its own staples.
5000 in one loading.

For free trial, without obligation or expense, simply return this advertisement attached to your business letterhead.

The BATES MFG. CO., 22 Vesey St., New York, Dept. B-1
Makers of Bates Numbering Machines

PUBLIC ENEMY

No 1
fire

COMMON ENEMIES
TO GUARD AGAINST

1 FIRE	9 LIGHTNING
2 MOTOR	10 MARINE
ACCIDENT	DISASTER
3 WINDSTORM	11 RAILROAD
& TORNADO	WRECK
4 PERSONAL	12 FALLING
ACCIDENT	AIRCRAFT
5 SICKNESS	13 EXPLOSION
6 DAMAGE	14 RIOT & CIVIL
CLAIMS	COMMOTION
7 BURGLARY	15 EARTHQUAKE
BROBERRY	16 FORGERY
17 DISHONESTY	



FIRE, controlled, is an ally of infinite power—man's indispensable servant, but within its fiery heart lurks a DEMON of destruction.

The cheerful FIRE that gently warms the home will DEVOUR without mercy if, even for a moment, our safeguards are relaxed.

LOYALTY GROUP

Firemen's Insurance Company of Newark, N.J. ORGANIZED 1855
 The Girard Fire & Marine Insurance Co. 1853
 The Mechanics Insurance Co. of Philadelphia 1854
 Superior Fire Insurance Company 1871
 The Metropolitan Casualty Insurance Co. of N.Y. 1874

WESTERN DEPARTMENT

644 Rush Street, Chicago, Illinois

CANADIAN DEPARTMENT

481 Bay Street, Toronto, Canada

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
 National-Ben Franklin Fire Insurance Co. 1866
 The Concordia Fire Insurance Co. of Milwaukee 1870
 The Capital Fire Insurance Company 1886
 Commercial Casualty Insurance Company 1909

EASTERN DEPARTMENT

10 Park Place

Newark, New Jersey

PACIFIC DEPARTMENT

220 Bush Street, San Francisco, Cal.

SOUTH-WESTERN DEPT.

912 Commerce Street, Dallas, Texas

NEWS OF FIELD MEN

Make Wholesale Appointment

Illinois Underwriters Association Concerned Over Practice of Mutuals and Nonaffiliateds

Wholesale appointment and licensing of agents in Illinois by mutuals and some non-affiliated companies without consulting the agents is a problem which is causing much concern and muddying the process of maintaining clear agencies, it was reported by President R. S. Tucker at the quarterly meeting of the Illinois Fire Underwriters Association. President Tucker noted that one large farm mutual has made 546 appointments this year, and a large stock fire company is adopting the same practice where an agent is named for its affiliated casualty company.

The situation is further involved by the fact that agents thus commissioned and licensed are experiencing great difficulty in having their licenses canceled. The licenses are requisitioned by the companies and the procedure is to cancel license only when the company involved requests it. Mutuals and stock companies making these promiscuous appointments are trading on the belief that a certain percentage will stick, and they are extremely slow to request cancellation of license of the agent who objects to the method.

Big Growth in Practice

Not all of the 546 agencies licensed and commissioned by the one farm mutual were clear agencies, it was said, but it was estimated that about 100 were clear. President Tucker reported that at this time last year there were 1,003 agents in Illinois licensed by the mutual fire company, whereas this year there are 1,362, a growth that he considered very significant. The farm mutual in question makes a spread for many small farm mutuals that have low retention limits; is writing business direct as well as re-insuring and is making a bid for many schoolhouse lines, it was said.

There was considerable discussion whether the mere sending of a commission and license to an agent by a company constituted him a legally contracted agent. The consensus was that while many companies now have an actual agency agreement form that is executed, precedent of many years is behind the other method.

A motion to the effect that the association go on record asking the insurance department before issuing an agent's license to be more restrictive in its requirements by asking an applicant or company whether an agency contract has been entered into, was defeated.

President Tucker reported that the Illinois fire marshal's office is furnishing the association fire records which are available to members.

New members elected were: H. S. Anderson, special agent Phoenix of Hartford; W. E. Bayley, special agent Hartford Fire; S. M. Cahn, Aetna Fire; A. J. Lane, Hartford Fire; E. W. McDowell, America Fore group. C. H. Metzner, Phoenix of Hartford, formerly in the Illinois field but now in Detroit, was named an honorary member. Miss E. E. Edwards, secretary of the association, assisted President Tucker.

Flagger Special Agent

B. B. Flagger has been appointed special agent in Georgia by Hurt & Quin with headquarters in the Atlanta office. For several years he has operated an agency in Atlanta, and previous to that was in the Georgia field for the Fire Association and North America.

The Nebraska Fire Prevention Association will inspect Chadron, Oct. 24. J. Burr Taylor of St. Louis, Western Actuarial Bureau, will give the address.

Rhyan Returns to Field Work

C. A. Mayo Succeeds Him as General Agent, Inland Marine Department of North British

In succession to W. R. Rhyan, who returns to field work at his own request, C. A. Mayo has been appointed general agent of the inland marine and special lines department of the North British & Mercantile group, assisting Secretary S. T. Shotwell. Mr. Mayo has had over 20 years' experience in home office, field and local agency work, serving at company headquarters in Chicago, Philadelphia and Hartford. For nearly 10 years he traveled the southwestern field, acquiring thereby peculiar knowledge of local agents' needs and means for supplying them. In becoming special agent for southern Connecticut, with headquarters in New Haven, Mr. Rhyan does so with the added experience of several years' association with the specialty lines department of the North British companies at their headquarters in New York.

Honor New York City Chief

New York City Blue Goose Hears Talk by Head of the Fire Department

J. J. McElligott, chief of the New York fire department was the guest speaker at the meeting of the New York City Blue Goose Monday evening, which proved to be one of the best attended and enjoyable in its history. Officers and employees of the Home turned out in large number under the leadership of President Wilfred Kurth, flanked by Vice-president R. F. Van Vrankin and former Vice-president C. A. Ludlum, all three of whom spoke briefly and humorously. Past Most Loyal Grand Gander S. A. Meharter, Home, outlined happenings at the grand nest meeting at Atlantic City in August, later initiating four goslings into pond membership. On behalf of the Montana pond he presented past Most Loyal Gander George Straub of that pond with the appropriate pin and spoke appreciatively of work in that organization.

Chief McElligott proved an apt after dinner speaker, his remarks being good naturally witty at the expense of some of the important company officials attending. His counter to the references by past Most Loyal Grand Gander W. E. Mallalieu to the high degree of efficiency attained by the New York department under the McElligott administration, was especially relished, the chief admitting that in the first nine months of 1935 the number of fires in the city was greater by 700 than those for the corresponding period last year, with a proportionate increase in property loss.

Set Goal at 500 Members

SAN FRANCISCO, Oct. 16.—With only 96 additional members required to bring the San Francisco Blue Goose to the goal of 500, the membership committee is going full steam ahead and it is expected the goal will be reached this month.

At the ceremonial of the Oakland puddle last week 14 new members were initiated and there are a number of applications as well as certificates of flight on hand, which will considerably swell the ranks, according to E. W. Bonstain, vice-president Pacific National Fire, who is most loyal gander.

Tugge With Corroon & Reynolds

H. E. Tugge, who has been with the W. Burl Schmidt general agency of the

Massachusetts Bonding and Fidelity & Casualty in Detroit as field representative, has resigned to become special agent of Corroon & Reynolds in Michigan outside of Wayne county, working under State Agent J. G. Ferris of Detroit. Before joining the Schmidt agency in September, Mr. Tugge had been for some months a membership solicitor for the Michigan Association of Insurance Agents.

Indiana Pond Fall Outing

Nearly 100 ganders and guests enjoyed the fall outing of the Indiana Blue Goose at Hill Crest Country Club, near Indianapolis. Winners in the golf tournament, in which nearly 50 participated, were: First low gross, Edward Smaidginn, Home, second, D. S. Davis, Royal; first low net, F. E. Dukes, Fire Association, T. R. Dungan, America Fore, and D. J. Munro, Hartford, tied; second, J. F. Smith, Rhode Island; third, W. R. Caskey, Travelers Fire; fourth, F. S. Holmes, Home. H. A. Smith, Northern, was awarded a door prize.

Most Loyal Gander G. L. Heinz presided at the banquet and announced an initiation meeting Nov. 11. He said over 30 applications for membership already are in hand with 10 or more reinstatements. G. W. Mercier, Hanover, is chairman of the entertainment committee which handled the fall outing.

Bryant With Balfour & Guthrie

O. W. Bryant has been appointed Los Angeles special agent of the fire department of Balfour & Guthrie. He was formerly with the Liverpool & London & Globe and Pacific American. He will work with R. J. Walker, special agent, and handle outside territory in southern California and Arizona.

John F. Deiber in Serious State

John F. Deiber, Kansas City, Mo., special agent in western Missouri for the Hartford Fire and Citizens Fire, is confined to St. Lukes Hospital in Kansas City in a very serious condition as a result of a major operation performed two weeks ago.

Discuss Unemployment Cover

Constitutionality of the taxing provisions of the federal social security act will undoubtedly be tested in the United States Supreme Court in the opinion of Samuel Leask, Jr., tax expert and chairman of the legislative committee of the California Association of Retail Dry Goods & Specialty Stores, who spoke at a luncheon meeting of the San Francisco Blue Goose Monday, discussing the federal and state unemployment insurance legislation.

Wirt Leake Seriously Ill

Wirt Leake of Dallas, retired state agent North British & Mercantile, who rounded out 25 years with the company May 1, is seriously ill. He is a past most loyal grand gander of the Blue Goose.

Field Notes

Barker Hamlin, Virginia state agent of the Fire Association with Danville headquarters, has joined the ranks of Kentucky colonels.

The **South Dakota Fire Prevention Association** will inspect McLaughlin next Wednesday morning and McIntosh in the afternoon. Lemmon will be inspected Thursday. H. K. Rogers, Western Actuarial Bureau, will be the speaker.

Canada Asks Special Data

TORONTO, Oct. 16.—The Dominion department has issued some special instructions as to investment data which will be required for 1935 from British and foreign companies operating in Canada under its jurisdiction. It requires, at earliest convenience, a list of all securities purchased, held as collateral, or otherwise acquired between Dec. 31, 1934, and Sept. 18, 1935. A list of similar transactions after Sept. 18 is requested to be furnished weekly. This refers only to securities which will ap-

Report Italians May Be Barred from Coverage

NEW YORK, Oct. 16.—A special dispatch to the New York "Times" reports that London Lloyds and other large British insurance companies are ready to close the British insurance market completely to all Italian applicants on instruction from the government.

Many companies already have ceased to write Italian risks. The issuance of this ban would be a severe blow to Italy as the English market is her chief source of insurance protection.

Underwriters here doubt this move will be made unless an actual state of war should exist between the two countries, nor is it thought that such action will have much effect upon the American market. Risks underwritten here at present carry the exclusion clause against capture.

pear in the Canadian annual statement for 1935; that is, to securities actually held in Canada Dec. 31, 1935.

Palmer Heads Fire Committee

Commissioner Jess G. Read of Oklahoma, secretary of the National Convention of Insurance Commissioners, announces the appointment of Ernest Palmer, insurance director of Illinois, as chairman of the fire insurance committee, to succeed Commissioner Ray Murphy of Iowa.

Lee C. Paull Gets Publicity

Lee C. Paull, well known local agent at Wheeling, W. Va., figured in the daily papers this week. He was on a hunting trip with some companions in the revolting Mexican state of Sonora. Their ammunition and guns were seized by an armed band of Mexican raiders. They were reported, however, to be safe. Mr. Paull and his party had been stopped by a roving band after their firearms and ammunition had been taken they were ordered to continue to the interior. There has been much disorder in that state. The disgruntled agrarians who constituted the mob executed a police chief and president of a town.

Plan Educational Talks

PORTLAND, ORE., Oct. 16.—At future meetings of the Special Agents Association educational talks will be given, according to George L. Dutton, president.

Among the subjects to be discussed will be automobile insurance, by Walter Fritz, Fire Association; inland marine, E. A. Valentine, Fireman's Fund; stock company service, L. M. Brainerd, Aetna; the rating bureau as an aid to local agents, C. F. Wagner, Oregon Insurance Rating Bureau; allied fire lines, C. F. Carlisle, North America, and an agent's legal and moral responsibility, R. S. Aitken, American, of Spokane.

Hobson Is 25-Year Man

Arnold Hobson of West Hartford, Conn., special agent of the National, was presented with a watch by a group of his associates when he completed 25 years in the service of the company.

Miscellaneous Notes

O. C. Torrey, assistant manager, Marine Office of America in New York City who was operated on for appendicitis Oct. 2 has returned home from the hospital and it is expected that he will be back at his desk in about a week. Mr. Torrey was stricken suddenly with an acute attack in the afternoon and operated on that night.

Capt. E. L. Kidd of Ruston, La., is at the Army & Navy hospital at Hot Springs, Ark., recuperating from malarial fever. He is a former president of the Louisiana Insurance Society.

The Standard Insurance Agency of Phoenix, Ariz., has moved to a new office at 35 West Jefferson street.

Ted Rogers of Paragould has purchased the Fred Alexander agency, Leachville, Ark.

AS SEEN FROM CHICAGO

DUNNE RESTORED TO POWER

James E. Dunne, publisher of the "Insurance Index" of Chicago, who for a month was catapulted out of his position as publisher, has now regained the presidency of his organization and is restored as publisher. Mr. Dunne declares that he was illegally dethroned. He has now gotten all the stock in his own name. Mr. Dunne states that the reporting service, "Dunne's International Reports," is a separate corporation from the "Insurance Index" and he has always had hold of the reporting end of the program.

* * *

BOARD MEETS I. M. U. A. GROUP

The marine committee of the Chicago board will meet Oct. 21 with a committee of the Inland Marine Underwriters Association scheduled to come from the east to take up again the matter of the personal property floater. Manager Jay S. Glidden of the Chicago Board and several other representatives recently conferred in the east with the I. M. U. A. in an effort to reach a satisfactory arrangement following the board's action in approving the floater form for issuance in one policy including fire insurance at published rates. The I. M. U. A. is understood to take the position that it has original jurisdiction over this line as a result of which a number of companies and members of the I. M. U. A. ignored the Chicago Board's ruling requiring marine agencies in Chicago to register with the board. The conference next week will have as its primary objective the ironing out of the differences arising from the board acting first in this matter and reaching a working agreement under which the form can be sold satisfactorily to both interests.

* * *

AETNA OFFICIALS EXPECTED

Several officials from the home office of the Aetna Fire, headed by President W. Ross McCain, are due to arrive in Chicago Monday to spend a week with western department officials of the company. Others in the party will be Vice-president J. M. Waller and Secretary Frank G. Bush.

* * *

HAINES, IRVINE IN CHICAGO

J. M. Haines, United States attorney of the Phoenix-London Guarantee group, and T. J. Irvine, U. S. manager of the Phoenix of London, are in Chicago this week. They were entertained at luncheon Tuesday by the Conkling, Price & Webb and Critchell, Miller, Whitney & Barbour agencies.

* * *

NAME JUNIOR FIRE MARSHALS

S. V. Coultais, Illinois state fire marshal, has commissioned 37 Chicago public school boys, one from each school, as junior fire marshals. Badges were presented by Superintendent of Schools William J. Bogan. F. C. McAuliffe of the Chicago fire insurance patrols presided at the meeting. State Insurance Director Ernest Palmer gave a talk on "What Price Fire."

* * *

ADDRESSES INSURANCE SECTION

A great crowd thronged the ballroom of the Hotel Sherman in Chicago last week to hear M. Albert Linton, president Provident Mutual Life, at a luncheon sponsored by the insurance division of the Illinois chamber of commerce, in connection with the annual meeting of that body. His subject was "Social Security, Unemployment Compensation and Old Age Pensions." Although the Chicago Association of Life Underwriters canceled its October meeting and took large numbers of tables, men from other industries appeared to be in a majority. Mr. Linton has a wonderful faculty of clearness and was listened to with keen attention.

James S. Kemper, Lumbermen's Mu-

tual Casualty, presided and introduced prominent members of the Illinois chamber, including H. A. Behrens, president Continental Casualty and Continental Assurance and chairman of the insurance committee of the chamber. Mr. Behrens spoke briefly, lauding the Illinois chamber of commerce for its constructive work in legislation, and especially in promoting efficiency in insurance supervision in the state.

BLUE GOOSE ENTERTAINMENT

Well over 100 attended the dinner and entertainment of the Illinois Blue Goose in Chicago, Monday evening. A good many of the field men whose headquarters are downstate, were on hand because the quarterly meeting of the Illinois Fire Underwriters Association was to be held the next day. This party has proved so popular in the last two years that the leaders have decided to make it a regular annual affair.

A. R. Miller, America Fore, most loyal gander, presided. He introduced T. E. Gallagher, veteran retired general agent of the Aetna Fire, who responded briefly, and then he presented R. E. Freeman of

the Illinois Inspection Bureau with the plaque that Mr. Freeman won in the state-wide Blue Goose golf tournament this summer.

The function then was turned over to John Chickering, agency superintendent of the Sun and chairman of the entertainment committee, who introduced the mistress of ceremonies. Several acts were staged by professionals.

Among the guests were R. W. MacGrath, secretary at the home office of the Firemen's, who was in charge of Lloyd Brown, assistant western manager and supervisor of the Illinois Blue Goose, and Frank A. Murphy, inland marine manager at the head office of the



WANT SOME GOOD POINTERS?

MILLERS NATIONAL FIELDMEN ARE QUALIFIED CONSULTANTS

PROGRESSIVE AGENTS who endeavor to keep up to date on developments in the business find Millers National fieldmen particularly well informed. Their assistance to the producers on the firing line is a capital feature of Millers National service.

Averaging twenty odd years of practical insurance experience, our staff of fieldmen are qualified consultants. They are men with executive authority, discriminately selected for their experience and ability.

They are equipped to pass along helpful

ideas on everyday agency problems as well as information on the technical phases of insurance. They know how certain agents successfully sell different kinds of policies, how others solve their collection problems, and others save time and confusion by improved accounting systems. This information comes from contacts with many successful agents, and is yours for the asking.

We want you to know the Millers National fieldman in your territory. With your permission we shall ask him to call on you.

1865 MILLERS NATIONAL INSURANCE COMPANY 1935

MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

Seventy Years of Service and Security

Rhode Island, who is making an agency visit in Illinois and Michigan and was piloted by Illinois State Agent R. W. Tapper.

E. A. Henne, vice-president and western manager of the America Fore, acted as chaperon of a large delegation from his office. E. Erickson, assistant manager of the Underwriters Salvage Company of Chicago, brought Manager W. P. Forbush to see the sights.

* * *

SLIGHT INCREASE IS SHOWN

Fire premium tax collections by the Chicago city comptroller's office as of Oct. 10 totaled \$290,807, with a number of companies' figures unreported, compared with \$295,776 collected in the previous fiscal year. The year before the collections totaled \$262,951. The comptroller's office reported total collections for the tax year ended June 30 will be approximately \$300,000, which would indicate that in the 12 months, ended June 30, 1935, fire companies wrote in Chicago approximately \$15,000,000 premiums, or about \$250,000 more than in the preceding 12 months. On this showing the ratio of increase was only about 1.7 percent. There have been 27 companies that have reported their figures since the last tabulation presented in THE NATIONAL UNDERWRITER. The figures for 1935, 1934 and 1933 showing comparative results over the last three years are:

	1935	1934	1933
Albany	\$25,071	\$26,151	\$23,584
Amer. Union	90,131	85,993	59,680
Balt. Amer.	22,828	21,467	22,908
Bank. & Ship.	67,551	91,203	79,857
Br. Und. Ag. of Sc.			
Un. & N.	54,178		
Cent. Union	11,722	13,002	6,334
Commerce	17,315	18,112	21,935
Connecticut	120,967	152,077	183,281
*Dubuque F. & M.	77	109,785	118,556
Equit. F. & M.	91,655	90,005	106,459
Eurek. Sec.	33,215	28,990	32,505
General, Seattle	68,069	34,414	19,183
London Assur.	144,395	128,832	114,228
Manhat. F. & M.	34,374	41,892	30,907
Mpls. F. & M.	40,471	27,518	21,177
Nat. Liberty	190,569	143,355	125,084
New Jersey	6,875	8,932	5,565
*Pacific	30,262	98,255	68,399
Phoenix, Conn.	178,784	136,127	115,709
Reliable, O.	28,219	28,915	30,750
Security, Ia.	59,926	58,160	56,183
South Car.	394		
Union, Paris	21,996	29,466	16,701
*Un. Mar. & Gen.	7,967	7,897	
Universal	10,679	11,250	9,020

*Incomplete.

NEW ASSOCIATE MEMBERS

In addition to the 38 who this year become full-fledged members of the Life Members Society of the Fire Underwriters Association of the Northwest by reason of being 25 year men, there are 22 who are 20 year men and become associate members. The annual dinner is to be in Chicago Oct. 28. The new associate members are:

W. N. Achenbach, Aetna Fire, Chicago; John Bauer, Royal Exchange, Chicago; Homer Caldwell, Springfield, Peoria, Ill.; Bertram N. Carvalho, Rossia, Hartford; Louis W. Clark, Omaha; Guy E. Dixon, Great American, Kansas City; James E. Foster, National American, Omaha; Paul Fry, National Automobile Underwriters Association, Chicago.

Also Ray T. Gravenstein, Hanover, Milwaukee; G. E. Head, Murray, Ky.; Robert C. Hosmer, Excelsior, Syracuse, N. Y.; L. B. James, National, Manchester, N. H.; Wm. L. Jones, Jr., Milwaukee Mechanics, Milwaukee; Lee Lewand, Western Adjustment, Chicago; Mack D. Looney, Hartford, Chicago; A. L. Lucas, America Fore, Des Moines; C. A. Ludlum, Jamaica, L. I.; H. C. Nurnberg, adjuster, Milwaukee; Frank B. Quackenbush, Western Factory, Chicago; Wallace Rogers, Western Underwriters Association, Chicago; W. G. Shannon, American, Dayton, and Walter M. Sheldon, W. A. Alexander & Co., Chicago.

* * *

EXAMINERS GROUP TO MEET

The Association of Fire Insurance Examiners of Chicago will meet Oct. 17 at dinner. "Non-physical Fire Hazards" will be discussed by Don C. Campbell, credit manager western department America Fore.

* * *

POTTER RETURNS TO LIFE FIELD
Willett M. Potter, who has been in charge of the forgery bond department of the U. S. Guarantee in Chicago for

EDUCATIONAL SECTION

Notable Accident and Health Sales Talks at Congress

Some noteworthy talks on the sale of accident and health insurance, telling why the form of coverage should appeal to agents, were presented at the sales congress conducted by the Cleveland Accident & Health Insurance Association.

W. F. White, superintendent accident and health department Royal Indemnity, New York, speaking on "Personal Accident Insurance—Why—Where—How?" emphasized its importance in comparison to other casualty lines and said that the average person appreciates the value of insurance to protect property and to cover his legal liability for accidents to others, but when it comes to protection for himself he is woefully unprotected.

"Have you ever told them how necessary it is to protect themselves?" he asked. "Have you ever suggested that they protect the things that provided these valuables, their earning power? If you sell life insurance, do you always deliver with it a personal accident policy? Have you ever told your store owners, merchants, clerks and professional men how important it is to guarantee the continuance of their income? If you haven't, then you have a list of prospects that will keep you busy for many months with a resultant source of income second to none."

Earning Capacity Uncertain

"We are all likely to feel that our earning capacity will increase from year to year and all of us are likely to believe that even if our earning capacity does not increase, it will at least continue at its present rate. That, however, is one thing that cannot be taken for granted. Income depends upon ability to work; ability to work depends upon escaping accidental injury; escaping accidents depends upon fate; the ravages of fate can be controlled through the medium of a personal accident policy."

Mr. White especially emphasized the importance of this form of insurance as

protection for the home. "The home should be viewed as a business," he said. "It should be organized, managed and protected just the same as any other business. It should always be in a solvent state and thus protected against needless bankruptcy. How few homes are actually operated on this basis! There may be great value today and no value tomorrow."

"Physical inability to work by reason of accidental injuries causes an interruption in the family business. Business interruption insurance in this instance is a personal accident policy, and just as sure as we need insurance to protect property, so too do we need insurance to protect our earning power for the conservation of the family estate."

"Any family budget to be complete must include a full coverage personal accident policy. For an annual cost of about 1 percent of your income you can guarantee 80 percent of your earnings. Considered as a cold business proposition, there is no greater value possible today than the potential value of a personal accident policy."

O'Connor Gives Five Reasons

E. H. O'Connor, manager accident and health department United States Casualty and chairman of the Bureau of Personal Accident & Health Underwriters, spoke on "Why Specialize in Accident & Health Insurance?" He submitted five outstanding reasons why the life salesmen or multiple line producer should become interested in and give more time and attention to the sale of accident and health insurance. They are:

(1) Fundamental value—Life insurance is always regarded as fundamental, but a man's purchases of life insurance grow with the increase in his income. If the purchase of life insurance is dependent upon income, how much greater value has accident and disability insurance, which protects his income!

(2) The return to the producer in dol-

through theft, burglary and hold-up but also to prevent the loss of life. It invites cooperation by offering suggestions for special cases.

The second page is headed "When 'The Ghost Walks' for You, What Sort of a Ghost Is It?" The page suggests practices which invite robberies and hold-ups. The third page is titled "Reminders for the Boss." It outlines precautionary steps which may be taken to eliminate the likelihood of hold-ups.

Makes Special Analysis

The Travelers has made a special analysis of the automobile accident situation. It finds 27 states had rates of death from automobile accidents per 100,000 population last year that were better than the average rate for the entire country. If the rate in Rhode Island had prevailed throughout the country, there would have been a saving of about 17,000 lives. It finds that 24 states and the District of Columbia had death rates per 10,000,000 gallons of gasoline that were better than the average, with Rhode Island showing the best. The 24 states and the District also had rates per 100,000 cars registered that were better than the average. South Dakota was in first position and Rhode Island next.

The death rate from automobile accidents in Rhode Island was 15 per 100,000 population, which was 48 percent less than the average. Nevada had the highest death rate as it was 168 percent greater than the average.

lars and cents—The remuneration from the sale of accident insurance is larger than can be obtained through the sale of any other casualty line—or even through the sale of life insurance. To back up the latter point, Mr. O'Connor made some comparisons of renewal commissions on life and on accident and health. He also told of the possibility of building up life production through accident and health sales.

Prospects Unlimited

(3) Unlimited number of prospects—Publicity given to automobile accidents has created a desire for this protection in the average business and professional man. Statistics on accidents around the home and in sports and recreation, in addition to the automobile figures, create additional prospects, individuals who are ready to buy if properly approached.

(4) Little or no sales competition—The average insurance salesman has passed up the opportunity of selling this form of insurance because it might require a little effort and perhaps a little salesmanship. This creates greater opportunities for those who are wise enough to take this line seriously and talk it to their clients and all prospective clients. In order to be successful in the sale of accident or disability insurance, it is not necessary that the producer spend all of his time in that line.

(5) Personal elements—There is no other line of insurance which contains the personal elements that accident insurance does. An automobile liability policy is simply an accident policy covering injuries the driver may inflict on some stranger while driving his automobile through the streets. If Mr. Client is willing to purchase an accident policy for some stranger, it will require but little sales effort to show him why he should purchase accident insurance for himself. It also will give him a better entree for the sale of other lines of business than any third party insurance.

Why Sell Health Insurance?

The desirability of selling combination accident and health policies as against the accident-only form was strongly stressed by W. Edwin White, superintendent of agents commercial accident and health department, Continental Casualty, Chicago, in his talk on "Why Sell Health Insurance?"

"We in the accident and health business have assumed a responsibility in entering this field," he said, "a responsibility to see people through the trying economic periods which go along with disability. Since when has disability been limited to accidents? Since when have people become immune to loss of income and expense in connection with sickness, although subject to it from accidents?

"If you own a ten-story building, would you insure only three floors of that building against fire, leaving the balance unprotected? Of course you wouldn't, and no one else would. Why then should you recommend that a man buy accident-only coverage? The facts are that he is more likely to become ill than to have a fire."

Some Objections Answered

He took up some of the excuses for not writing health insurance, the first being that it is a "grief business."

"When I hear this excuse offered, I immediately know that the individual has sold little if any health insurance," Mr. White said. "I have never heard a truly experienced accident and health man say that health coverage was a grief business. You can't blame the accident and health business because some agent carelessly or intentionally doesn't get the complete facts when he fills out an application. You can't blame the accident and health business if an assured misrepresents in his application or conveys in presenting his claim. If grief comes on such cases, it isn't the fault of the business. You must handle any business on an honest and intelligent basis. If you underwrite your risks carefully, fill out the application completely and handle your business intelligently, you will find it the most pleasing line that you have ever handled."

Circularize the Assured

F. K. Hoehler, Cincinnati director of safety, and Secretary J. F. Schweer of the Cincinnati Casualty & Surety Association have prepared a three page letter which will be sent by the casualty and surety offices to insured who have large cash payrolls or use messengers to carry money or negotiable securities. The letter is written on city of Cincinnati stationery and is signed by Mr. Hoehler and Chief of Police Weatherly. Over 2,000 copies of the letter will be sent. The letter stresses the need of precaution not only to prevent loss of property

Parley Oct. 22 on the Farm Fire Department Proposal

Ira D. Goss of Chicago has called a meeting in his city Oct. 22 to discuss various aspects of the program to provide fire insurance rate credits to farmers that are served by drilled fire departments, that have proper water supply and have telephones. Mr. Goss, who is manager of the farm department of the America Fore group, is calling the conference in his capacity as chairman of the agricultural committee of the National Fire Waste Council.

At the time discussion will center on standards for rural water supplies, standards for rural fire department equipment and organization and various ways and means to be employed for the organization of rural fire departments. All organizations and persons interested in the program are being invited to attend.

The discussion on methods of organization of fire departments, according to Mr. Goss, will be particularly helpful to telephone people, who are vitally interested. Information will be brought out as to the methods used in different states and communities where rural fire departments have already been organized. In some states there is legislation enabling communities to organize fire departments and to defray the cost by taxation of townships or school districts. Some standard legislation may be found desirable to promote.

On Oct. 23, the annual joint meeting of the agricultural committee and the farm fire protection committee of the National Fire Protection Association will be held. Both sessions will be at the Stevens hotel.

Bowen and Rhoads Explain Ohio's New Licensing Law

CLEVELAND, Oct. 16.—At the dinner given in honor of Superintendent R. L. Bowen, of Ohio, following the Cleveland Accident & Health Sales Congress, Mr. Bowen spoke briefly on the new licensing law and the examination of agents and Raymond Rhoads, assistant to Mr. Bowen, who has charge of the examinations and licensing, explained the procedure in more detail. This was followed by a two-hour open forum, in which he answered many questions covering every phase of the subject. Since the Ohio department is now working on a new licensing act for life men, they were especially interested.

About 75 were in attendance, including all the officers and committee heads of the Cleveland Accident & Health Association, representatives of other insurance organizations and out of town guests. The Cleveland Life Underwriters Association was represented by President E. B. Fisher and George Thobaben, secretary. Others present were S. J. Horton, secretary, and E. S. Davis, president Insurance Board of Cleveland; H. S. Martin, Toledo, vice-president; John A. Lloyd, secretary, and W. E. Flickinger, trustee of the Ohio Association of Insurance Agents; E. A. Collier, secretary Cleveland Surety Club; H. C. Gobeille, Cleveland Casualty Association; Harold R. Gordon, executive secretary of the Health & Accident Underwriters Conference; C. H. Davis, Chicago, regional vice-president National Accident & Health Association.

Air Loss Under Deductible

The United Air Lines, victim of the crash near Cheyenne which killed nine passengers and the crew of three, carried crash insurance on all its ships, with a deductible of \$250,000. As the average value of United's Boeing airliners is about \$65,000 each, there will be no claim under the crash coverage, this being obviously catastrophe protection and written at a very low premium.

United has had the best insurance experience of any of the larger airlines, being the only one which has consist-

ently returned an underwriting profit to the companies. In spite of this disaster, it is expected that the line will still be attractive to the underwriters.

Passenger liability insurance is written separately from other public liability cover. The rule followed generally is that a limit per passenger is prescribed, while the limit per accident must be the passenger limit times the number of seats, so that each plane is insured to its full capacity. No details of United's liability insurance have been revealed, but it was probably on that basis.

Foreign Officials Sail

Arthur Morgan, foreign manager London Assurance, and M. Provini, deputy manager Union of Paris, sailed for home on the Berengaria Oct. 14, after spending several weeks visiting Everett W. Nourse, United States manager for both companies.

Loss Association Meeting

The first fall meeting of the Western Loss Association was held in Chicago Tuesday. Fred Schoeffer of the Crum & Forster group at Freeport, Ill., is president and was in charge of the meeting. Harry Clark of the Providence Washington is secretary. The annual meeting will be held Nov. 19.

The sales and promotion department of the Boston and Old Colony has put out a very valuable book entitled, "Sales Plans—29." The number signifies the different items in the sales program. In a general way the book covers automobile insurance, business interruption, camera, explosion, furs, golf, household furniture, jewelry, motor truck cargo, personal effects, rain, rent and rental value, smudge, sprinkler leakage, stamps, wedding presents, windstorm and yachts.

Valuable Sales Book on Various Side Lines Out

The sales and promotion department of the Boston and Old Colony has put out a very valuable book entitled, "Sales Plans—29." The number signifies the different items in the sales program. In a general way the book covers automobile insurance, business interruption, camera, explosion, furs, golf, household furniture, jewelry, motor truck cargo, personal effects, rain, rent and rental value, smudge, sprinkler leakage, stamps, wedding presents, windstorm and yachts.

I. A. C. to Map Program

A meeting of the executive committee of the Insurance Advertising Conference is to be held in New York Oct. 23 to formulate plans for the year and to coordinate the activities of several new committees. A luncheon meeting will be held in December.

The following committee chairmen have been named: Preparation of programs, W. L. Lewis and D. C. Gibson, Maryland Casualty; frontier safety, R. G. Richards, Atlantic Life; public rela-

tions, Frank J. Price, Jr., Prudential; membership, Jarvis W. Mason, London Assurance; street and highway safety, S. F. Withe, Aetna Casualty; standards of practice, Henry H. Putnam, John Hancock Mutual; promotion of 1936 accident and health week, Stanley F. Withe.

Franklin Declares Extra

In addition to the regular quarterly dividend of 25 cents a share, stockholders of the Franklin Fire will receive an extra dividend of 5 cents per share.

Fire Association Pays Extra

An extra dividend of 50 cents and the regular semi-annual dividend of \$1 have been declared by the Fire Association payable Nov. 15 to stock of record Oct. 25.

Opens Sacramento Branch

SAN FRANCISCO, Oct. 16.—The Pacific Board has opened a branch office in Sacramento, under the management of George White.

T. B. Kverndal of London has been a visitor in New York for the past two weeks. He is prominent in marine circles in London.

SPRINGFIELD SPOTLIGHTS

for

1935

Brrr! Brrr! Cold breezes carry a message of opportunity to wide-awake agents. They say:

It's time to make a drive for FUR COAT FLOATERS

This message spells opportunity to agents who will take advantage of the "Springfield Group's" proffer of assistance in selling the coverage. Seize opportunity when it knocks.

Write our Business Promotion Department—today!



THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849 Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, President

Balding & Lininger, Mgrs., Chicago. John C. Domin, Mgr., San Francisco. W. E. Findley, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts

EDITORIAL COMMENT

High Cost of Receiverships

AS ONE scans the reports of companies liquidated by state insurance departments where there is sufficient legislation to throw a failed company in the hands of the department rather than pursue the costly receivership route, he is impressed with the saving that is done through the state process. When a company fails and a receiver is appointed, very likely ancillary receivers are appointed in other states. There is great delay in dealing with claims and in attempting to conserve the assets.

Superintendent PINK of New York, in a recent address called attention to the fact that when it becomes necessary to liquidate or reorganize an insolvent insurance company it should be treated entirely as a unit. The assets should be admin-

istered and conserved for the benefit of creditors generally and creditors of the same class should receive equal treatment regardless of where they happen to live. Uniform state legislation will correct these evils if it can be brought about. At the last meeting of the INSURANCE COMMISSIONERS CONVENTION, when the proposition came up for approving or recommending an amendment to the federal bankruptcy act which would bring insurance companies under a single system of liquidation, the opposition was due entirely to the fear of the commissioners that this was simply throwing more power into federal hands. Therefore the only alternative is to try to bring about uniformity in state legislation. This is a subject that might well receive the attention of us all.

Contingent Commission Issue

SOME companies are not averse to the payment of contingent commissions generally if the agents would accept a lower regular commission scale and if some device could be adopted to prevent agents from manipulating their business by throwing premiums to those companies in the agency that have been lucky and depriving the unlucky companies of their share of the premium.

One suggestion is that the agent's entire business be analyzed. Then, if he is entitled to a contingent on the basis of

his experience over-all, the contingent would be paid by those companies in the agency that made a profit and the others would not contribute. If the experience, on the other hand, over-all, did not entitle the agent to a contingent, then none of the companies would pay a contingent, not even those whose individual experience would justify such payment.

The companies will have to face the demand for payment of a contingent, it appears. Whatever stand is taken will have to be of nationwide application.

Proper Attitude Toward One's Calling

THE insurance man must have the proper attitude toward his calling, his responsibilities and opportunities. He should regard it as a road to accomplish something worth

while. He should hold his head high and never be apologetic. He should always have in mind that he is a public benefactor and not a peddler asking favors.

Law of Compensation in Effect

THE insurance salesman really reaps to the extent that he sows and cultivates his field. There is no royal road to success without following a pretty definite course. Business does not come to the man who simply sits in his office

and waits for something to turn up. There must be effort, determination, work and enthusiasm. There is always a response when the proper effort is put forth. There is little worth while to be secured without sweat.

Great Service of Insurance

E. C. STONE, United States manager of the EMPLOYERS LIABILITY, in his presidential address at the annual meeting of the INTERNATIONAL ASSOCIATION OF CASUALTY & SURETY UNDERWRITERS stressed the desirability of using once in a while some figures and statistics to indicate the place that insurance holds in the sun. He said that 1,217,000 persons are actively engaged in the business and there are almost 3,600,000 dependent on it. This in itself creates tremendous buying power. The insurance business contributed \$825,350,849 over and above the expenses of the

state insurance departments during a 10 year period to the general fund. During the ten year period ending Dec. 31, 1934, the companies operating in New York alone paid losses and benefits amounting to \$30,981,475,517 as compared with \$24,521,843,000 expenditures of the federal government during a period of 124 years. From the inauguration at Washington down to the world war in 1916, there had been \$27,000,000,000 spent. During the present ROOSEVELT administration there has been \$24,206,533,000.

When one contemplates the use to which

this tremendous sum paid by insurance has been placed, he is impressed with the fact that a vast work has been done through

this medium in the way of alleviating distress, worry and loss. It is a work of vast public importance.

Insurance Fertilizer Needed

S. T. WHATLEY, vice-president of the AETNA LIFE in charge of the agency department, in a recent address questioned whether insurance companies had fertilized the field as they should during the years of the depression. He likened this to a farmer who had brought his ground to a high pitch of production and then when the troubled days came decided that he would not fertilize it any more. He would save that expense. The year after he quit fertilizing the crops were excellent because the effect of the fertilizer was still there. The second year crops were not so good and as time went on the

ground became unproductive because there had been no replenishing.

Mr. WHATLEY felt that the insurance field might be likened to this soil that had run out for lack of nourishment. In the efforts to economize some companies undoubtedly have not replenished the soil, have not given the help, have not done any advertising, have not furnished aid, have not engaged in stimulating processes, have not cultivated agents in the right way and the field has been fallow. This may be a good time to use some insurance fertilizer to assure bountiful production in the years to come.

PERSONAL SIDE OF BUSINESS

John Shallcross, son of C. F. Shallcross, United States manager of the North British & Mercantile fleet, and his bride, the former Miss Eleanor Torrey of Detroit, are honeymooning in Hawaii.

H. W. Fries, 70, president of Wakefield, Fries & Co., pioneer local agent of Portland, Ore., and father of Sam Fries, secretary-treasurer of the Oregon State Agents Association, died at his home there.

A. T. Morgan, 68, veteran local agent of Butte, Mont., died at his home from a heart attack. He had operated a local agency in Butte for 50 years, and was formerly president and general manager of the National Life of Montana, which was reinsured in 1918.

R. J. Sage, local agent in Ironwood, Mich., who was selected as the member of the governing committee of the Michigan Association of Insurance Agents at Petoskey to represent the newly created second upper peninsula district, was one of the founders of the Ironwood and Gogebic county associations and is now president of the local organization.

J. J. Conway, Jr., senior staff adjuster in the Cincinnati office of the Western Adjustment, was married to Miss Maxine Crocker in New York. He is the son of the late J. J. Conway, who for many years was superintendent of the Cincinnati Salvage Corps. He has been with the Western Adjustment 12 years. Miss Crocker is the daughter of one of Cincinnati's prominent automobile dealers.

Irwin Mesher of Seattle, executive secretary of the Washington Insurance Agents League, is the last man home from attending the annual convention of the National Association of Insurance Agents at Rochester. Mr. Mesher left Seattle Sept. 10, went to San Francisco where he joined the northern California delegation to Rochester, headed by Secretary Frank C. Colridge of the California association. The delegation arrived in Chicago the Sunday morning before the Rochester convention and went to the Rochester convention and went to

the Chicago Cubs-Pittsburgh baseball game. Following the convention Mr. Mesher went to Hartford, Boston, New York, Philadelphia and Baltimore. He spent last Monday in Chicago and then traveled westward, stopping in Portland, Ore., to visit his brother before finally arriving at Seattle the fore part of next week.

Featuring the annual fire prevention week activities at Keene, N. H., were three talks by C. D. Sheffe, assistant United States manager London Assurance. At the request of Chairman A. D. Berry of the Keene fire prevention committee, who is manager of the Ashuelot Insurance Agency, Mr. Sheffe talked in the morning to about 400 students and the faculty of the Keene Normal College, at noon at the Elks Club, to about 100 business men assembled by the Rotary Club, and in the afternoon to 1,000 school children at the city hall.

Accompanying Mr. Sheffe was Frank E. Walls, for many years state agent of the London. In addition to Mr. Berry, among the members of the fire prevention committee in Keene are Mayor George F. T. Trask of the Cheshire Insurance Agency, R. M. Clark of G. H. Aldrich & Sons, H. L. Boverstock of the Mason Insurance Agency and R. K. Palmer of A. B. Palmer, Inc.

The legal firm of Parrish, Cohen, Guthrie & Watters, well known for its large insurance practice, located in the Register & Tribune building, Des Moines, announces that Robert W. Colflesh, M. A. O'Brien and Robert L. Parrish have become members of the firm, the title of which is changed to Parrish, Guthrie, Watters & Colflesh. Thomas Watters of this firm is especially well known to insurance people.

Field men and some of the company officials were guests of the principals of the First Trust Company agency of Lincoln, Neb., Saturday. The party was taken to the football game in the afternoon and then entertained at dinner in the evening. This is an annual affair. Among the company officials present was W. J. Tipper of Chicago, assistant manager of the Aetna Fire. G. W. Holmes is president of the First Trust

THE NATIONAL UNDERWRITER

PUBLISHED
EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704.

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Subscription Price \$4.00 a year; in Canada, \$6.50 a year. Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year; Canada, \$10.50. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act March 3, 1879.



Company and M. C. Rathburn is vice-president and manager of the insurance department.

Victor W. Davies, special agent in the western marine department of the Automobile in Chicago, and Alice Elizabeth Brewer are to be married Saturday afternoon of this week in Duluth. They will reside in Milwaukee. The bride is a daughter of Mr. and Mrs. L. C. Brewer.

Special agents in the **Garrison-Rumsey & Co.** agency of Paterson, N. J., were entertained at the summer home of D. D. Rumsey. This is an annual event.

R. E. Verner of Chicago, manager of the fire prevention department of the Western Actuarial Bureau, and president of the Chicago Rotary Club, will address the Louisville Rotary Club Thursday of this week. He is in Louisville attending the annual convention of the National Safety Congress.

Secretary **W. H. Bennett** of the National Association of Insurance Agents left New York City for the southwest last Saturday, being scheduled to address the annual convention of the Oklahoma Association of Insurors at Oklahoma City Oct. 15, going thence to attend the annual meeting of the Tennessee Agents Association at Knoxville Oct. 17-18.

Percy Kisner, cashier in the San Francisco office of the Firemen's of Newark, a veteran in that office, died this week.

E. S. Anderson, advertising manager of the Hartford Fire, has made available to agents an unusual good will building novelty. It is a complete duplicate bridge set showing the Hartford and agency insignia, to be loaned for parties and bridge functions of various kinds. Mr. Anderson feels that in loaning these sets, agents will be making a big hit and it will cost much less than the giving away of individual decks of cards. The set may be loaned many times, since the decks are shuffled only once in an evening and remain unsoiled for a long time.

President **Byron S. Watson** and Vice-president Clifford E. Pieper of the Rhode Island, left last week on a six weeks' agency trip through the southwest and Pacific Coast.

Charles B. H. Loventhal, well known local agent at Nashville, and Mrs. Loventhal have issued invitations to the marriage of their daughter, Lenore, to E. P. Sapinsley on the evening of Oct. 22 at Vine Street Temple. The newlyweds will live in Memphis. Miss Loventhal is a graduate of Vanderbilt.

John Marietta, 83-year-old local agent of Vinton, Ia., was feted at a banquet in his home town, the occasion being his completion of 60 years in the business. There was a large attendance of field men and some executives from other places including A. F. Powrie of Chicago, western manager of the Fire Association; S. M. Buck, western manager, and W. W. Waddell, general agent of the Fireman's Fund at Chicago; F. J. Ney of the Fred L. Gray Company, Minneapolis.

Mr. Marietta was born in Wayne county, Ohio. He studied in Oberlin College, O. His family moved to Benton county, Ia., in 1869, and in 1871, John Marietta started to work in Vinton as a grocery store clerk. In 1875 he joined the late J. P. Johnson in the insurance business. Five years later he became sole owner of the firm and in 1899 he was joined by W. E. Bickel and the title was changed to Marietta & Bickel. Mr. Marietta was honored at a banquet when he completed 50 years in the business and also when he completed 55 years.

The program consisted of an address of welcome by T. F. Tobin of Vinton, and the response by O. J. Davis, veteran state agent of the Home in Iowa. A history of the agency was given by

ONE—EM—DASHES

Pictures and the Inner Urge Jamborees up 183% Talks and Reminiscences

One manifestation of American masculinity is a disinclination to have a picture taken except with a string of fish or together with a dead elk. If the disinclination does not really exist, it must be feigned or the man is suspected of having the traits of a Narcissus. Much of the resistance is feigned and that is where the trade paper comes to the aid of the photographer. A man can always retain his self respect and at the same time satisfy a shameful inner urge by posing because his trade paper wants his picture.

At a party the other evening a photographer set up his machine in a corner of the ballroom. The ladies were willing subjects. Finally a lone man sneaked into the enclosure. As he emerged he was greeted with hisses and catcalls for violating one of the fundamental principles of American manhood. "Listen fellows," he protested, thinking quickly on his feet. "That was for my trade paper. They've been after me for a picture for two years."

Whereat the jeers subsided and the man was restored to good standing in American society, and the trade paper editor was due to be reminded that in a convivial moment a couple of years ago, he had suggested that the man send in his picture.

An indication of recovery—The number of local board picnics, outings, field days, jamborees, fundays, and high-jinx has increased 183 percent during the first nine months of 1935 as compared with the same period last year.

A favorable trend—Lecturers on inland marine are no longer starting off: "Marine insurance is the oldest known form of coverage. In the days of the Phoenicians . . ."

Unfavorable trend—Continuation of this preface to an address: "Cooperation is a word that has been overworked, but real cooperation is still to be attained."

Favorite reminiscences of a Michigan field man—Riding the caboose on an old logging road.

Favorite reminiscences of an Illinois field man—W. B. Rearden.

W. E. Bickel, Jr., partner, and the principal address was by S. M. Buck. J. H. Buntin, state agent Fire Association, presided as toastmaster.

J. B. Fritschi died at his home in Berkeley, Cal., at the age of 64, following an illness of several months. Born in San Francisco, Mr. Fritschi spent many years in Butte and Helena, Mont., as a local agent and later special agent for the old Christensen & Goodwin general agency. In 1920, when the agency was dissolved, he was appointed assistant to Manager Benjamin Goodwin of the St. Paul and affiliated companies on the Pacific Coast. Suffering a nervous breakdown, Mr. Fritschi retired from the field, later joining the Scottish Union & National as special agent in central California.

John R. Engle, 77, for many years a leading field man in Indiana, died at his home in Winchester, Ind., from a heart attack. In the days of strong rivalry in Indiana between Western Union and Western Insurance Bureau companies, Mr. Engle was a powerful factor in Bureau ranks as state agent of the Germania Fire, now the Great American. He also was at one time special agent of the National Liberty and an officer of the old German Fire of Indiana. He was active in association activities and

served the Indiana Field Club as president and in other official capacities. He entered the insurance business in the office of his father, Capt. Edwin Engle. He retired some years ago.

His son, R. L. Engle, of Indianapolis, is associate state agent of the Home group. C. F. Engle, Indiana state agent of the Milwaukee Mechanics, is a brother.

Friends of **John A. Lloyd**, secretary Ohio Association of Insurance Agents, have launched a campaign for him for the Republican nomination for lieutenant governor. Mr. Lloyd has represented the Portsmouth district in the Ohio senate three terms. Mr. Lloyd states that he has made no definite announcement; that he plans to consult political leaders to determine whether they feel it would be wise for him to enter the arena. The boom was started by some of his friends in Scioto county, who held a meeting, at which he was urged to run.

Commissioner **E. A. Smith, Jr.**, of Utah was in San Francisco last week for a few days of combined business and pleasure—the latter being mainly football games. Before becoming commissioner Mr. Smith frequently acted as broadcaster of football games in Salt Lake City and vicinity over the national network, which hobby he has continued

since becoming a state official. While in San Francisco, Commissioner Smith welcomed home Mrs. Smith, who has been visiting in Honolulu. Fire Prevention Week officials drafted Commissioner Smith to take part in the radio broadcast featured by station KGO, which was a reenactment of a serious San Francisco fire.

J. C. McPherson, 49, for the past 12 years with the Iowa National Fire, died at his home in Des Moines from heart disease. He had been ill two years. He was born in Scotland and before coming to the United States spent 12 years in Africa in the employ of a British importing firm.

J. W. Longnecker, manager of the business development department of the Hartford Fire, has been elected president of the Monarch Stamp Club of the Two Hartford. He will speak to the club Oct. 24 on "Working Tools of Philately."

A. T. Morgan, 68, veteran local agent of Butte, Mont., died at his home from a heart attack. He had operated a local agency in Butte for 50 years, and was formerly president and general manager of the National Life of Montana, which was reinsured in 1918.

Tips of the Month

OCTOBER, 1935.

SCORPIO. Symbol of darkness. The scorpion suggesting the sun's autumnal equinox and a decline of power. A sad time for the sun. But may your bright ideas keep Scorpio's influence from darkening your door.



Conducted by the BOSTON and OLD COLONY INSURANCE COMPANIES
87 Kilby Street, Boston, Massachusetts



The company you represent must give you a wide field from which to gather premium income. Since no agent can be a specialist in the many lines, the far-sighted agent selects a company eager and qualified to give competent assistance. In the Boston or Old Colony, you have the opportunity to make money with forty-five different coverages—the lines today's agent needs to win today's business. Our agents have all the necessary information at their finger tips in the easy-to-consult-and-understand-at-a-glance handbook, "Insurance Coverages." Perhaps that is one reason they are successful. Why not write and suggest that our field man call and show you this valuable book?



the books of progressive, farsighted agents are accounts that run into hundreds of dollars in commissions which started at acorn figures. These agents have proved that the featuring of inexpensive but necessary forms of insurance is essential to the healthy, vigorous growth of a local agency. Our Sales Promotion Department will be glad to show you how to plant acorns—ideas—and cultivate them into flourishing and profitable accounts. Tell us your problem.



How many of your customers are going to move to new locations? Their belongings need protection in transit even if they are being moved only to the next block.

Since the best time to sell Sprinkler Insurance is when freezing temperatures are common, now is a good time to make up your prospect list and make your plans to get your share of this business. Prepare your prospect for your call with a letter which will make him want to see you.

The story of the acorn and the sturdy oak is old but ever new. It illustrates what the featuring of specialty lines such as Fur, Wedding Present, Personal Effects, Camera, Jewelry, etc., can do. On

Here's a window display idea that will give an added push to your Fur Floater campaign. Cut two big circles out of display board: one three feet in diameter; the other, four feet. Paint the smaller one white, the larger one bright red. Fasten the centers of the circles together and make an upright support. Paint a coat hanger black and fasten it to the upper part of the white circle. Underneath the hanger, on the white circle, paint the word "Gone" in large black letters. Across the top of the red circle band, letter, in white, the words: "What if you should lose your fur coat?" And across the bottom, the words: "Is it insured?" On the floor of this display, show a Fur Floater policy and, if you are our agent, scatter "Your Furs" folders in a symmetrical arrangement.

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Michigan Committees Named

P. J. Braun Heads Committee to Seek Payment of Contingents in Ordinary Territory

Acting on the motion passed by the Michigan Association of Insurance Agents at the annual convention recently, President J. W. Mundus of Ann Arbor has appointed a contingent committee to confer with officials of the Western Underwriters Association in an effort to secure such commissions in ordinary territory in Michigan.

Phil J. Braun of Flint, has been appointed chairman. The other members are: Clyde B. Smith, Lansing; J. M. Crosby, Jr., Grand Rapids; G. C. Chadwick, Muskegon, and Lee A. Dudley, Battle Creek.

As soon as a conference can be arranged with W. U. A. officials, George W. Carter of Detroit, national councillor, will accompany the members of the committee to Chicago.

Other Committee Appointments

The local boards committee will be headed by Cecil A. Baskins of Saginaw, the other members being R. J. Gillespie, Flint, and R. H. Bronk, Grand Rapids.

D. W. Howland, Detroit, has been named chairman of the fire and accident prevention committee, with J. E. Carey, Battle Creek, A. B. Millard, Grand Rapids, and C. E. Garrett, Kalamazoo, assisting.

The conference committee will continue with its present personnel: G. W. Carter, Detroit, chairman; P. J. Braun, Flint, and G. Earle McVoy, Grand Rapids.

Clyde B. Smith, Lansing, has been reappointed chairman of the law and legislation committee with power to select his own committee.

The membership committee will be announced later.

Minnesota Association to Start Membership Campaign

ST. PAUL, Oct. 16.—An intensive drive for new members will be launched by the Minnesota Association of Insurance Agents, it was decided at a meeting of the executive committee here. The campaign will be on a district basis, the state association now being organized on that plan. The vice-presidents will serve as membership chairmen in their respective districts and a state membership chairman will be appointed to direct the entire campaign.

It has long been felt that too many agents who benefit from the activities of the association are not supporting it and an effort will be made to get them in. In two or three sections of the state, outside of the Twin Cities and Duluth, there are strong and active district associations and several of the more important small cities also have their local associations.

It is the hope of President C. O. Brown and other officials that a vigorous campaign this winter will result in increasing the membership of the state association considerably.

Reports on Cedar Rapids

The National Fire Protection Association reports that the fire prevention section of the Cedar Rapids, Ia., chamber of commerce is working to secure inspections of private dwellings and an additional fire station which is needed.

Quincy Board's Annual Outing

Number of Company Men Were Present at the Function Given Last Week

The Quincy (Ill.) Board gave its annual outing last week at the Country Club followed by a cabaret dance at the Hotel Lincoln-Douglas. There were 125 guests at the dance and more than 100 insurance men participated in the golf and bridge tournaments.

McCullough Winters, president of the Quincy Board, presided at the dinner and awarded a number of prizes. R. D. Seares of the Fidelity & Deposit in Chicago won the principal golf prize with a low gross score of 75. Other winners were R. H. Gray, R. S. Chaloner of Chicago, assistant manager American Automobile; R. C. Kelley, M. E. Vasen, C. D. Lasher of Chicago, general manager of the Home, and C. A. Morris.

Alvin S. Keys of Springfield, president of the Illinois Association of Insurance Agents, was a guest. Mr. Winters and M. E. Vasen were in charge of the golf tournament and E. F. McAdow of Chicago, Great American, was in charge of the bridge games. Among the managerial talent present were Assistant Manager G. D. Gregory, Great American; Manager C. W. Ohlsen, Sun; Manager S. H. Quackenbush, Westchester; General Manager C. D. Lasher, Home of New York; Agency Superintendent H. C. Edmundson, America Fore; J. E. Guy, automobile manager America Fore.

President Winters in his remarks stated that the Quincy Board had inaugurated the annual outing plan. He said it had been taken up by other local organizations and agencies and he felt that the practice was running into the ground. Unless there is a real demand next year he said there would be no outing of the Quincy Board.

Policyholder Intervention Is Resisted by O'Malley

Attorneys representing Insurance Superintendent O'Malley have filed a brief with the Missouri supreme court opposing the petition of a group of policyholders seeking to intervene before the court in the proposed Missouri fire insurance rate compromise.

The brief brought out that the parties to the litigation have settled the matter entirely to their own satisfaction and they are asking for a judgment in accordance with their settlement and the dismissal of all litigation. The merits of the settlement are not before the court and should not be, the petition declared.

The brief lists certain claimed advantages for the settlement. It would close over 13 years of costly and expensive litigation, would result in reduction in insurance rate, from \$1.05 to 95 cents; policyholders would receive a permanent rate of 95 cents compared to \$1 prior to 1922; there would be a rerating for the first time since 1920.

Analyze the Distribution

Of the total excess premiums of \$24,000,000 paid since 1922, the brief declares, policyholders will receive back about \$14,500,000, the state will receive about \$3,400,000 belonging to policyholders that cannot be located and payments made to the state to reimburse it for expenses. Agents will receive commissions of about \$2,500,000 and the insurance companies will receive only

about \$2,000,000 because they will be forced to pay about \$800,000 interest into the Cole county circuit court in connection with the restitution suit.

The brief discusses the whole rate situation and not merely the impounded premiums in the Cole county court.

Mr. O'Malley announced that he had directed his attorneys to file protest against the payment of expenses indicated in the report filed by P. H. Lauf and L. H. Cook of Jefferson City, commissioners of the excess premium funds in the restitution case before the state court. The report of the commissioner showed that since Jan. 1 of this year, when the commissioners started to function, \$719 has been refunded and at an expense of \$27,653 or \$38 for each dollar refunded. Mr. Lauf and Mr. Cook each drew \$1,000 a month in salary and former Assistant Attorney General Gilbert Lamb has been drawing \$600 a month. A number of others are on the payroll.

Ross Weller Is President of the Springfield Board

William Booth of Springfield, Ill., who has been president of the Springfield Board of Fire & Casualty Insurance Agents since 1912, becomes chairman of the executive committee. He is succeeded as president by Ross L. Weller. John C. Lanphier has been elected vice-president and H. H. Weber, secretary and treasurer. Associated with Mr. Booth on the executive committee are Alvin S. Keys and R. W. Troxell, both of whom served the Illinois Association of Insurance Agents as president; Lawrence Head, C. A. Schryver and E. L. O'Brien.

L. S. Bryant Visits Dakotas

L. S. Bryant, general agent in the western department of the North British & Mercantile, is on a two-week trip among agents in the Dakotas.

To Hear Convention Reports

DETROIT, Oct. 16.—The action taken by the National and Michigan association conventions will be outlined to the Detroit Association of Insurance Agents at the first fall meeting Oct. 22, with President W. S. Halla of Kelly-Halla-Peacock presiding.

G. W. Carter, Detroit Insurance Agency, national councillor and official delegate to the National convention, will report on that meeting. J. A. Grow, retiring president of the Michigan association, or George Brown, executive secretary, or both will discuss the state convention.

Discuss Protection Improvement

The Dodge City (Kan.) Insurance Board held a special meeting attended by V. B. Steenrod of the Kansas Inspection Bureau and George Schuler, Jr., secretary of the chamber of commerce, to consider fire prevention activities and measures to improve the efficiency of the local fire department. Similar meetings were also held with the three civic clubs of the city in connection with the Fire Prevention Week campaign sponsored by the chamber of commerce.

Howe Sioux City President

SIOUX CITY, IA., Oct. 16.—Paul C. Howe has been elected president of the Fire & Casualty Underwriters of Sioux City. The vice-president is Fred W. Colvin and secretary-treasurer, R. S. Andrews, reelected. Besides the officers, W. C. Wolle, Franklin Britton and W. S. Snyder are on the executive committee. It ranks as the largest local board in Iowa. Fire Chief Kellogg, a fireman for 53 years and the oldest fire

Seeks Contingents



PHIL J. BRAUN

Phil J. Braun of Flint has been appointed chairman of the special committee of the Michigan Association of Insurance Agents to seek from the companies payment of contingent commissions in Michigan ordinary territory. He is owner of the Newall & Braun agency and is a past president of the Michigan association.

chief in years of service in the United States, spoke on the improvement in fire fighting equipment, intelligent service on the part of the men, better building codes and construction and the remarkable low fire loss ratio in the past few years. Sioux City's loss ratio, once very high, has not exceeded \$1.35 per capita in the past five years. The local board pledged cooperation with the fire department in keeping aisles in theaters from being used for seating space by overflow audiences, many complaints of this nature having been made.

Report on National Convention

WICHITA, Oct. 16.—J. H. Burns, Jr., president Wichita Insurors, gave a detailed report of the National Association of Insurance Agents convention at the regular meeting of the Wichita board. Frank T. Priest, National association executive committeeman, and Duane T. Stover, Kansas national councillor, will give their reports at the meeting Oct. 24. William Mitchell, marine manager of the Alliance, and W. S. Whitford, Springfield state agent, were guests. A large representation from the Wichita Insurors was promised for the Kansas association meeting in Topeka this week.

McClain, Bair Scheduled

While the program of the annual meeting of the Indiana Association of Insurance Agents at French Lick has not been completed it is made known by President R. G. Hastings that Kenneth H. Bair, president of the National Association of Insurance Agents, will speak at the morning session, Oct. 25. Insurance Commissioner McClain of Indiana will be the luncheon speaker Friday and it is probable that Fred Waldron, vice-president of the Terre Haute Morris Plan Company, will speak on the insuring of financed automobiles. Arrangements are being made through R. C. Griswold, Indianapolis manager of the Aetna Casualty, to show films,

"Saving Seconds" and "The Bad Master."

There will be a business session Thursday afternoon with a banquet in the evening, and morning and afternoon sessions on Friday, with a luncheon session.

Among the subjects scheduled for discussion are: Recapturing insurance on financed automobiles, the new HOLC insurance setup, how a strong local board will put commissions in an agent's pocket, uniform countersigning commissions, state compensation rating bureau, and "will the new insurance code help the legitimate agent?"

Derbyshire at Kenosha

KENOSHA, WIS., Oct. 16.—A. H. Derbyshire, manager inland marine department America Fore, Chicago, speaking at the monthly meeting of the Kenosha Association of Insurance Agents, explained the wide variety of contracts

for inland marine insurance, stressing the broad scope of coverage afforded. About 50 members attended the dinner session.

President Arthur Gail was authorized to appoint a committee to investigate the possibilities of establishing a permanent office for the Kenosha board, due to increasing activities. The city and school insurance committees also reported on a recent survey of properties and their appearance before the city council to report the results of the survey.

Middle West Notes

J. Emory Huff, 90, who conducted a local agency in Columbus for many years, died in Cincinnati. He was in the insurance business 40 years.

L. N. Robinson, local agent in Greenwich, O., for 16 years, has sold his agency to H. B. Knapp, former president of the Farmers Banking Company.

C. R. Zschau of the People's Insurance Agency, Menominee, Mich., has sold his agency to A. A. Juttner of the Juttner Agency.

IN THE SOUTHERN STATES

E. J. Sullivan Made President

Commercial Union Man New Head of Louisiana Rating & Fire Prevention Bureau

NEW ORLEANS, Oct. 19.—E. J. Sullivan, state agent Commercial Union, has been elected president of the Louisiana Rating & Fire Prevention Bureau. R. P. Strong, who has served 30 years as secretary-treasurer, was reelected. Mr. Sullivan succeeds R. M. Pons, who has been president for two years. J. L. DeTreville, St. Paul Field & Marine, was elected vice-president. New directors are: Mr. Pons, C. E. Hancock, Frank Malone, C. E. Farrell and R. U. Wright.

Report on Business Conditions

Mr. Pons in his report as retiring president stated that in most sections of Louisiana business conditions are fair to good. There has been marked activity in oil producing sections of the state in recent months. In most sections crop prospects both as to production and price are very encouraging. There is an indicated cotton production this year of 600,000 bales as against a production of last year of 485,000 bales. There is very little building activity of major importance aside from work done by the government. Premiums should show only a very slight increase over 1934, he said.

Texas Regional Meetings Are Held in Three Cities

The Texas Association of Insurance Agents arranged for three regional meetings this week. Fire Insurance Commissioner Mauk, Casualty Commissioner Waters and R. B. Cousins, Jr., manager of the Texas Insurance Checking Office, were at all the meetings. The first was Tuesday at Corsicana with F. C. Paul of that city, regional vice-president, in charge. On Wednesday a meeting was held at McKinney with Vice-president C. H. Ray of that place in charge. On Thursday of this week, the third meeting was scheduled at Paris with Vice-president E. D. Norment of that city in charge.

Opens South Texas Office

Phillip Lander, special agent T. E. Braniff Company of Oklahoma City, has opened a south Texas office at Houston. He has been associated with State Agent J. W. Burer at Dallas.

Disturbed Over License Boosts

TAMPA, FLA., Oct. 16.—Insurance leaders are disturbed by the tendency of the towns to double up taxes and licenses. Tampa has boosted the license fee from \$75 to \$125 and despite pro-

tests of the agents it looks as if the raise will stick. Other larger cities are doing the same thing in many cases. Representatives of several companies have indicated intention to remove from the cities that take such action.

Houston Sets Loss Record

HOUSTON, TEX., Oct. 16.—The city's fire losses in September dropped to the lowest point in the past quarter of a century with only \$12,050, the lowest for any month on record in the city fire marshal's office. The loss for first nine months is only \$192,356, a reduction of \$114,551.

Houston Secretary Resigns

HOUSTON, TEX., Oct. 16.—C. A. Pickett, executive secretary of the Insurance Exchange of Houston for the last five years and its first full-time secretary, has resigned to become manager of the Lumbermen's Association of Texas. No action has been taken on filling the vacancy. During Mr. Pickett's service, the exchange membership increased from 26 to 62.

Oklahoma Women Hear Miller

R. M. Miller, manager Oklahoma Audit Bureau, spoke to the Oklahoma Insurance Women's Association on the need and accomplishment of fire prevention work in Oklahoma.

New Houston, Tex., Agency

The Hood-Ruth Company has been organized with offices at 503 Kirby building, Houston, Tex. The members are F. E. Hood and W. B. Ruth. Mr. Hood has been a banker for many years. Mr. Ruth has had 12 years' experience in fire, automobile and casualty insurance.

Texas Towns Rated

R. S. Mauk, Texas fire insurance commissioner, announces rerating of Stanton, Elgin, Caldwell, Oakwood, Grapevine, Centerville and Hart.

Southern Notes

R. H. Goodnight is establishing a local agency at Wellington, Tex.

Mrs. B. B. Hackett, formerly postmistress at Raymondville, Tex., has purchased the E. W. Huff agency there.

The **Campbell-Estes Company** has purchased the B. B. Craft agency, Wichita Falls, Tex. Mr. Craft will continue with the agency.

Fire losses in **Louisville** for the year ending Aug. 31 were \$175,000, or about 50 cents per capita, compared with \$248,606 the previous year.

C. H. Aldrich has become manager of the life, health and accident insurance department of the Mytinger-Randell Agency, Wichita Falls, Tex. He has been connected with the United Fidelity Life for several years.

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PACIFIC COAST AND MOUNTAIN

Announce California Program

Detailed Schedule of Events for Annual Meeting of Agents at San Diego, Oct. 30-Nov. 1, Is Made Public

The program for the meeting of the California Association of Insurance Agents in San Diego, Oct. 30-Nov. 1, has been completed. The National Association of Insurance Agents is to be represented by President K. H. Bair, who will have a prominent place at the opening session and will also speak at a joint luncheon Thursday noon attended by the agents and members of Kiwanis, Rotary, Lions and other service clubs.

C. Elmer White, president Oakland Association of Insurance Agents, will be chairman of the conference on agency management and operation. Considerable time Friday afternoon is to be devoted to a symposium on street and highway safety conducted in conjunction with the Junior Chambers of Commerce throughout the state. R. L. Mannon, Fireman's Fund Indemnity, is chairman of this work. It is also planned to show the new safety film of the National Bureau of Casualty & Surety Underwriters.

Topics for Discussion

Among the subjects at the "business development sessions" will be an address on "How Insurance Agents May Do More Business Through Supporting the Federal Housing Administration," by W. O. Harris, representing the FHA. H. J. Thielen, past president and former national councillor of the California association and chairman of its farm committee, will talk on "How the Farm Tariff May Be Used in Developing New Business." Paul Roemer of Oakland will explain the recently enacted highway carriers' act, its requirements and how new business may be developed as the result of its enactment.

The program follows:

Wednesday, Oct. 30

Golf at the San Diego Country Club. Registration. Meeting of directors.

Thursday, Oct. 31

Call to order by President Pickett. Greetings from city of San Diego, National Association of Insurance Agents and Pacific Coast State Associations.

Report of president and administration. Address, Joy Lichtenstein, president Pacific board.

Address, Ed. C. Porter, president Casualty Association of California.

Address, S. L. Carpenter, Jr., insurance commissioner.

12:15 p. m., joint luncheon with San Diego Rotary Club.

2 p. m., Executive session for agents only.

6:30 p. m., Trip to Old Mexico.

Friday, Nov. 1

7:30 a. m., Breakfast conference on political sub-division insurance.

10 a. m., Conference on agency management and operation, C. E. White, Oakland, chairman.

2 p. m., Conference continues.

Symposium on Highway Safety Campaign. Showing of Highway Safety film.

4 p. m., Report of resolutions committee, report of nominating committee, election of officers, unfinished business, new business, adjournment.

7 p. m., Annual banquet and dance.

Saturday, Nov. 2

California Association of Insurance Agents' Day at California-Pacific International Exposition.

Approve Supplemental Form and Merchandise Contract

The annual meetings of the supervisory committee of the Rocky Mountain Fire Underwriters Association and the managing committee of the Mountain States Inspection Bureau in Denver ad-

journed after being in session two full days. The supervisory committee discussed the new credit rule adopted last spring by the Mountain Field Club. The committee went over the general agency situation in Denver and reported it to be in good condition.

The managing committee met with the Field Club committee and approved the supplemental contract and merchandise and fixture form.

A. T. Bailey, coast manager of the North British & Mercantile, remained in Denver to visit agencies and confer with State Agent C. V. Rutledge.

R. R. Clark on Coast Trip

R. R. Clark, United States manager of the Caledonian, is on a visit to the Pacific Coast and is commemorating the 50th anniversary of the establishment of the company in the United States. He was accompanied by F. J. Cameron, from the home office. They spent some days in Los Angeles and then went on to San Francisco.

Confer on Oregon Conditions

SAN FRANCISCO, Oct. 16.—Representatives of the Oregon Association of Insurance Agents, Portland Insurance Exchange, Oregon Rating Bureau and Special Agents Association met here with the Oregon conference committee, of which Clifford Conly, Pacific Coast manager of the Great American and Phoenix, is president to discuss general business conditions in the Oregon territory. Visitors from Oregon included: George Hearle, president Portland Exchange; Claude Nasburg, Marshfield, and Earl Tumy, Medford, representing the agents association; James McCune, head of the rating bureau, and Lane Goodell, representing the special agents.

Southern Group Reelects

R. J. Zarn of Van Nuys has been elected president of the Associated Agents Committee of Southern California, succeeding C. L. Skeen, who has served as president since formation of the committee in September, 1933. Elected to serve with President Zarn were: Leo L. Pinnell, vice-president, Huntington Park; W. W. Todd, secretary, Van Nuys; Tom Bromley, Pomona; C. L. Skeen, Burbank, and Roy Cooper, Long Beach, members of the executive committee.

The Associated Agents Committee is an organization composed of 15 local agents' associations in Los Angeles,

EASTERN STATES ACTIVITIES

Reports on Bay State Cities

National Fire Protection Association Relates Situation in Chelsea, Gardner, Lowell, Quincy and Brockton

Reports on a number of Massachusetts cities have been released by the National Fire Protection Association. In Chelsea the building department is conducting a campaign for demolition of hazardous buildings. An isolated and fire resistant building has been erected to house adequate new fire alarm apparatus. Better training work in the fire department is a principal need.

In Gardner the chamber of commerce has appointed a committee to work with the city in raising the standard of fire prevention and protection.

In Lowell, political interference with the fire department is a disturbing factor and responsible city officials have no protection against removal from office. Fire defenses are unsatisfactory.

Orange and San Bernardino counties, not including the city of Los Angeles. At its most recent meeting it was voted to make a definite request that the National Association of Insurance Agents and the California association take action against those using the title "Insuror" without proper authority through membership in the state and National associations.

Montana Fund Litigation

The report from Montana is that action in the Lewis and Clarke county district court to restrain the insurance commissioner from administering the state fund law has been indefinitely postponed and the supreme court may assume original jurisdiction. The state fund law was passed this year and was just about to be put in operation when it was blocked by the filling of referendum petitions and the subsequent action in district court.

Final Utah Action Delayed

The new constitution and by-laws of the Utah Agents Association, which was referred back to the executive committee at the annual meeting at Salt Lake City, provides for changing the name to the Utah Association of Fire & Casualty Insurers. The executive committee would consist of nine members including the president, vice-president and two Utah committeemen, the election to be arranged so that at least four local boards will be represented on the committee.

The so-called Utah committee would encourage the stabilizing of rates and coverages and problems pertaining to differences among members, on changes in rates or coverages will be referred to this committee. The Utah committee men would be elected for two years.

Agents, except in Salt Lake City, Ogden, Provo and Cache county, might join for \$2.50, but this would not include membership in the National association. Minimum dues in the cities mentioned and in Cache county would be \$10. The dues would be increased to the maximum of \$35, according to the annual premiums of the agency.

Portland Insurance Women Elect

The Insurance Women's League of Portland has elected as president Dorothy Boes, Harvey Wells Agency; vice-president, Eva Brower, Gould & Gould; secretary-treasurer, Esther Brown, Universal Bond & Mortgage.

Seaboard Names Gould & Gould

Gould & Gould, Seattle, have been named Pacific Northwest general agents of the Seaboard Fire & Marine of the Yorkshire group.

Cambridge, Mass., Rates Are Reduced; By-laws Changed

BOSTON, Oct. 16.—The New England Insurance Exchange has promulgated a new tariff for Cambridge, Mass., in consequence of improved fire-fighting and protective facilities, rating in Class 3 instead of Class 4. Reductions were made generally on mercantile, church, school and municipal property but not on dwellings, except in the congested area, where rates are automatically reduced through the removal of the congested area charge. Sprinklered risks are reduced in a few instances only but from special rating.

The exchange has changed its by-laws so that members may now be admitted through approval of the executive committee rather than be obliged to wait for the vote of the exchange, which meets only quarterly. The following have been elected active members: A. H. Brown, special agent Fireman's Fund; J. L. Price, secretary, and J. V. Down, special agent Equitable F. & M.; J. B. Hartwell, special agent Fire Association, and D. L. Vigue, special agent Massachusetts F. & M. A nominating committee was appointed to report at the annual meeting in January.

Discount on Taxes

Insurance companies have been advised by the Pennsylvania authorities of a new law providing that those who before Dec. 15, 1935, pay taxes on gross premiums that are payable in 1936 will enjoy a discount of 4 percent on the amount of tax so paid.

Protest Mutual Competition

BOSTON, Oct. 16.—Agents here are greatly wrought up over the reputed unfair competition of mutuals, alleging that mutuals represented in the board are accepting reinsurance for non-member mutuals of business secured under the closest competition. Non-state mutuals too are credited with getting a heavy volume of reinsurance, upon which no taxes or board fees are paid. The matter is being given serious attention by the board.

Col. Dunham on Kansas Trip

Col. H. P. Dunham, former Connecticut commissioner and now vice-president of the American Surety and New York Casualty, was in Chicago Wednesday en route to Topeka, where he will address the Kansas Association of Insurance Agents at its annual meeting this week. Colonel and Mrs. Dunham are moving from Hartford to New York City and will reside at 1 Fifth avenue in the latter place.

Motor Insurance Events

Launch Drive in Richmond

Bank and Agents in Virginia City Cooperate in Campaign to Capture Auto Financing Business

Readers of the "Richmond News," Richmond, Va., had impressed upon them recently the benefits of financing a new car through a bank and insuring with a local agent. The Southern Bank & Trust Co. of Richmond inserted a sizable advertisement offering its facilities and directly below was an advertisement of the Insurance Exchange of Richmond stating: "Money for purchasing an automobile on preferred payment plans is available through local banks at lower cost than the usual finance charges with broader insurance coverage and personal service through the following local agents." There follow the names of member agencies.

The bank advertises: "Finance your car economically and keep your money

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Butte, Montana
Representing American Surety Co., Fidelity & Deposit Co. of Md., New York Casualty and others. Equipped for investigations, adjustments and trial of insurance cases in all courts in Montana.

HOWARD TOOLE
507 Montana Building
Missoula, Montana
U. S. F. & G., Maryland Casualty Co., Fidelity & Casualty Co. of N. Y.
Equipped to handle investigations, adjustments, and trials of cases in State and Federal Courts in entire Western Montana including Missoula, Powell, Granite, Saunders, Mineral, Ravalli and other counties.

NEBRASKA
Prince & Prince
The Commercial National Bank Building
Grand Island, Nebraska
Representing U. S. F. & G. & Employers. Trial of cases in State and Federal Courts in Central Nebraska. Equipped for investigations and adjustments.

OSCAR B. CLARK
1228 Sharp Building
Lincoln, Nebraska
Associated Indemnities Companies
Equipped for investigations and adjustments of claims in Nebraska and northern Kansas, trial of cases in all state and Federal courts.

GEORGE B. DENT, JR.
Tramp Building
North Platte, Nebraska
Representing Associated Indemnity Corp., Commercial Standard Ins. Co. Investigations—Adjustments—Trial Work Associate: Harold E. Day, Jr.

Rosewater, Mecham, Shackelford & Stoehr
1028-40 City National Bank Building
Omaha, Nebraska
Investigations—Adjustments—Trial work Nebraska and Western Iowa.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter

NEVADA

Ayres, Gardiner & Pike
1st National Bank Building
Reno, Nevada

Representing American Surety, Standard Accident and several other companies. Equipped to handle adjustments, investigations, settlement of claims all over Nevada.

NEW JERSEY

ANDREW J. WHINERY
744 Broad Street
Newark, New Jersey

WILLIAM L. RAE
1 Exchange Place
Jersey City, N. J.

Representing Exchange Mutual, Indemnity & Ins. Co.

NEW YORK

BOND, SCHOENECK & KING
140 State Tower Building
Syracuse, New York
Counsel for many Insurance Companies
Equipped for Investigations and Adjustments in Syracuse and surrounding territory.

LEE, LEVENE & McAVOY
TRIAL LAWYERS
310 Security Mutual Bldg.
BINGHAMTON, NEW YORK
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

ACKERMAN, LEVET & GEILICH
175 Main St.
White Plains, N. Y.
John J. Ackerman William B. Levet
Ralph Geilich

ULYSSES S. THOMAS
719 White Building
Buffalo, New York
Employers' Liability Assurance Corp.,
Western and Southern Indemnity Co.,
other casualty, bonding and fire companies

VanDuser, Liebschutz & Curran
42 Genesee Valley Trust Building
Rochester, New York
Representing London & Lancashire, Glens Falls, Firemans Fund, Aetna and many others. Trial of all Insurance Cases, State and Federal Courts. Equipped for Investigations and Adjustments in Rochester and Surrounding Territory.

JOHN C. LOOBY
74 Chapel Street
Albany, N. Y.
Bankers Indemnity, Norwich Union, London & Lancashire. Equipped for investigations and adjustments in this territory and trial of cases in Federal and State Courts.

OHIO

Waters, Andress, Wise, Roetzel & Maxon
1110 First Central Tower
Akron, Ohio

Representing Aetna Life Ins. Co., U. S. F. & G. Many others given on request. Trial of all kinds insurance cases in State and Federal Courts and in surrounding territory.

L. B. McMillen and Oliver C. Martin
McMILLEN & MARTIN
309 Brant Bldg.
Canton, Ohio

Equipped for investigations, adjustments and trial of all insurance cases in Federal and State Courts in this territory.

JAMES A. CULBERTSON
914 First National Bank Bldg.
Cincinnati, Ohio

Globe Indemnity Co., Bankers Indemnity Ins. Co., and others. Equipped for investigations and adjustments. Trial of all insurance cases, State and Federal Courts, Ohio and Kentucky.

McKEECHAN, MERRICK, ARTER & STEWART & GEORGE WM. COTTRELL
2800 Terminal Tower
Cleveland, Ohio

JOHN H. MCNEAL
502 Auditorium Bldg., 1367 E. Sixth St.
CLEVELAND
Phone Main 1258
Attorney-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio

PRICE & PRICE
812 Leader Building
Cleveland, Ohio
John H. Price, Sr. William Hughes Price
John H. Price, Jr. Newman S. Price
General and Trial Practice in State and Federal Courts

BLANCHARD, TOU VELLE AND NIDA
42 E. Gay St.
Columbus, Ohio
Clients given on request. Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

Charles T. Warner
35 East Gay St., Columbus, Ohio
(Former Judge of Common Pleas Court and Superintendent of Insurance of Ohio from 1931 to 1935). General Insurance Practice in All Courts and Insurance Department
Investigation and Adjustment of Claims
General Insurance Matters

MATTHEWS & MATTHEWS
25 North Main St.
Dayton, Ohio
Ocean Accident, Ohio Farmers, Ohio Farm Bureau, Indemnity Co. Col.

WALTER B. HILL
517 Broadway
East Liverpool, Ohio
Representing U. S. F. & G., Western & Southern and others. Equipped for investigations and adjustments.

OHIO (Cont.)

CABLE & CABLE
Masonic Building
Lima, Ohio

Representing American Surety, Fidelity & Cas. of N. Y., General Acc. Fire & Life, Phila. & G. Many others given on request. Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

HOLLOWAY, PEPPERS & ROMANOFF
#21 Board of Trade Building
Toledo, Ohio
United States Fidelity & Guaranty Co. and others
Trial of Cases. Surety and Casualty, complete investigation and adjustment service. Insurance trial work in all courts.

TROUTMAN & TAGGART
112 West Liberty Street
Wooster, Ohio

Representing The Ohio Farmers Ins. Co., and others. Equipped for investigations, adjustments and trial of all insurance cases in state and federal courts in this district.

Barnum, Hammond, Stephens & Hoyt
807-812 Mahoning Bank Building
Youngstown, Ohio
Adjustment Department
W. Carlton Young in Charge
Auto—Fire—Theft—Collision—Liability
Property Damage—Marine—Burglary

OKLAHOMA

Abernathy & Howell
LAW OFFICES
First National Bank Bldg.
Oklahoma City, Okla.

Representing Royal Ind. Co., Eagle Ind. Co., Great American Ind., and others. Equipped for investigations, adjustments, trial all insurance cases.

Embry, Johnson, Crowe & Tolbert
First National Building
Oklahoma City, Oklahoma
Equipped for investigation, adjustments, trial of all insurance cases in the State of Oklahoma.

MILEY, HOFFMAN, WILLIAMS, FRANCE & JOHNSON
1039 First National Building
Oklahoma City, Oklahoma
Equipped to handle claim investigations. Trial of all Classes Insurance Cases.

Pierce, McClelland, Kneeland & Bailey
829-838 Hightower Building
Oklahoma City, Oklahoma
Pierce, McClelland, Kneeland & Bailey
829-838 Hightower Building
Oklahoma City, Oklahoma

V. E. McINNIS & JAMES H. ROSS
Ramsey Tower
Oklahoma City, Okla.
Representing Astma Cas. & Sur. Co., Aetna Life, Prudential Ins. Co. of Amer., Cas. & Gen. American Auto Ins. Co., Maryland Cas., and others. Equipped for Investigations, Adjustments and Trial All Insurance Cases.

Allen, Underwood & Canterbury
Fifth Floor Oklahoma Building
Tulsa, Oklahoma
Representing
R. C. Allen
L. J. Underwood
Sam S. Canterbury
Paul Pissou
O. L. Lepardus
Hans Indemnity Co., Employers Liability Assurance Co.
Equipped to handle trials of insurance cases in Eastern Oklahoma.

OKLAHOMA (Cont.)

GIBSON, MAXEY & HOLLEMAN
325 Exchange National Bank Bldg.
TULSA, OKLAHOMA

Equipped to handle claims, adjustments and trial of all insurance cases.

HUDSON & HUDSON
707 Ritz Bldg.
Tulsa, Okla.

OREGON

HERBERT W. LOMBARD
First National Bank
Cottage Grove, Oregon

Equipped for investigations and adjustments and trial of all insurance cases in Eugene, Roseburg and surrounding territory.

Collier, Collier & Bernard
Suite 1220 Spalding Building
Henry E. Collier John A. Collier
E. F. Bernard
Portland, Oregon

E. L. McDougal
1437 American Bank Bldg.
Portland, Oregon
Equipped for Adjustments, Investigations and Settlement of Claims

MAGUIRE, SHIELDS & MORRISON
1113 Public Service Building
Portland, Oregon
Representing Maryland Cas. Co., Employers Rehme Corp., Yorkshire Ind. Co., Sun Ind. Co., American Auto Ins. Co., Associated Ind. Co., United Pacifics Cas. Co., Canadian Ind. Co., Canadian Fire Ins. Co., Great Lakes Cas. Co., and others.

PENNSYLVANIA
ENGLISH, QUINN, LEEM-HUIS & TAYNTOR
Erie Trust Bldg.
Erie, Pa.
Representing Maryland Casualty, Preferred Accident and others furnished on request. Equipped for Investigations, adjustments, trial Insurance Cases in Federal and State Courts.

HENRY S. AMBLER, JR.
1025 Philadelphia Savings Fund Building
Philadelphia, Pa.
Representing Glens Falls Ind., Continental Casualty, Century Indemnity. Equipped for investigations, adjustments and trial of all cases in Southeastern Pa.

GEORGE Y. MEYER
1513 Berger Building
Pittsburgh, Pa.
Representing Employers Group, Loyalty Group and many others given on request. Equipped for Investigations, Adjustments in Southwestern Pennsylvania.

LEO. A. NUNNINK
1513 Berger Building
PITTSBURGH, PA.
Phone Court 2256
Attorney-at-Law
Facilities for Investigations, Adjustments and Trial Work over Western Pennsylvania. Clients given on request.

(Continued next page)

INSURANCE ATTORNEYS

RHODE ISLAND

SHERWOOD & CLIFFORD

1503 Turks Head Building
Providence, R. I.

Trials—Investigations—Adjustments

SOUTH DAKOTA

BAILEY & VOORHEES

Charles O. Bailey (1880-1928)
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottum
Howell L. Fuller
BAILEY-GLIDDEN BUILDING
SIOUX FALLS
INSURANCE PRACTICE

TEXAS

WAGSTAFF, HARWELL WAGSTAFF & DOUTHIT

Attorneys at Law

Abilene, Texas

Equipped to handle adjustments, investigations, settlement of claims and trial of all insurance cases.

Touchstone, Wight, Gormley & Price

1108 Magnolia Bldg.
Dallas, Texas

McBROOM & CLAYTON

Bassett Tower
El Paso, Texas

American Surety Co., Western Automobile,
Ft. Scott, Kansas, and others.
Specializing in Insurance Law and Trials

Canney, Hanger & McMahon

15th Floor Sinclair Building
FORT WORTH, TEXAS
Samuel R. Canney Samuel R. Canney, Jr.
(1883-1924) Alfred McKnight
William A. Hanger Gillis A. Johnson
Mark McMahon B. K. Hanger
W. D. Smith Investigations, Adjustments, Trial All Cases

Armstrong, Cranford, Barker & Bedford

ATTORNEYS AT LAW
American National Insurance Bldg.
Galveston, Texas

Equipped for investigations, adjustments, settlements of claims, trial all insurance cases.

Boyles, Scott, Tobey & Atkinson

First National Bank Bldg.
Houston, Texas

Fulbright, Crooker & Freeman

State National Bank Bldg.
Houston, Texas

TEXAS (Cont.)

Ball, Seeligson & Trueheart

National Bank of Commerce Bldg.

San Antonio, Texas

Representing U. S. F. & G., Maryland Casualty and others. General Insurance Litigation Defense only.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building
San Antonio, Texas

UTAH

Stewart, Stewart & Carter

1105 Continental Bank Building
Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

WASHINGTON

F. A. KERN

Washington National Bank Bldg.
Ellensburg, Washington

U. S. F. & G. Co., Sun Life Assurance Co.

BATTLE, HULBERT, HEL- SELL & BETTENS

1001 Exchange Bldg.
Seattle, Wash.

Representing Standard Accident Ins. Co. and others. Trial of all Insurance Cases and others in State and Federal Courts.

BAYLEY & CROSON

900-907 Insurance Bldg.
Seattle, Wash.

Frank S. Bayley Burton J. Wheeler
Carl E. Croson F. Bartow Fite, Jr.
O. H. Johnson George W. Martin

BOGLE, BOGLE & GATES

6th Floor Central Building
Seattle, Washington

Fireman Fund Insurance Co.
Oregon Mutual Life
Residential Life Ins. Co. Lincoln National Life
Franklin Fire Ins. Co. Occidental Ind. Co.
Home Ins. Co. (Marine Dept.)

PALMER, ASKREN & BRETHORST

1710 Hoge Building
Seattle, Washington

Representing Employers Liability Assurance Corporation and others.

ROBERTS, SKEEL AND HOLMAN

Insurance Building

John W. Roberts W. B. McKelvy
E. L. Skeel Wm. Paul Uhlmann
Tom W. Holman Harry Henke, Jr.
Frank Hunter W. E. Everson
Tyre H. Hollander Robert H. Grace
Laurence Booth, Jr. SEATTLE

WASHINGTON (Cont.)

RYAN, ASKREN & RYAN

Suite 1903, Northern Life Tower

Seattle, Wash.

Counsel for Association of Life Insurance Presidents—Commercial Casualty, Metropolitan, London Guarantees & Accident and others.

Trial all insurance cases in State and Federal Courts in Western Washington.

POST, RUSSELL, DAVIS & PAINE

Exchange Building
Spokane, Washington

Astra Group, Hardware Mut. Cas. Co., Phoenix Ind. Co. and others. Investigations, adjustments and trial of all insurance cases in Eastern Washington and Northern Idaho.

WISCONSIN

Young, Everson & Ryan

230 E. Walnut Street
Green Bay, Wisconsin

Fidelity & Casualty Co. of N. Y., Massachusetts Bonding Indemnity Co., and others. Trial of all casualty, fidelity and fire insurance matters. Especially equipped for investigations and adjustments.

CHESTER D. RICHARDSON

Dale Building
Kenosha, Wisconsin

Loyalty Group, Century Indemnity Co., and others. Equipped for investigation, adjustments, trial of all Insurance Cases.

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin

Special attention to the Law of Fire Insurance

Bouck, Hilton, Kluwin & Dempsey

First National Bank Bldg.
Oshkosh, Wisconsin

Fidelity & Cas. Co., Continental Cas. Co., Employers of London. Equipped for investigations, adjustments, trial of all fire, casualty, and surety cases in district.

HERMAN C. RUNGE

712-16 N. 8th Street
Sheboygan, Wisconsin

Massachusetts Bonding & Ins. Co. and others—Equipped to handle adjustments—and trial work.

WYOMING

WM. B. COBB

Consolidated-Royalty Building
Casper, Wyoming

Loyalty Group, Glens Falls and others. Equipped for investigations, adjustments and trial of all insurance cases.

at home. Borrow from this bank—insure with your agent."

The purchaser must pay one-third of the purchase price in cash and then finance the balance, plus insurance which he may place where he chooses, over a period not to exceed 18 months. The loans are granted on a character basis with the car as collateral. The finance charge is based on a 2 percent flat service charge less 6 percent discount per annum. The 2 percent service charge will be refunded in full if payments are made promptly.

Complain of Service Association

ST. LOUIS, Oct. 16.—The St. Louis Better Business Bureau has filed complaints with Prosecuting Attorney Finnegan of St. Louis and P. B. McHaney, attorney for the Missouri department, concerning the activities of the Automobile Owners Protective Association, under the active management of Charles Felton, who for a long time has been a promoter of service club contracts. It states that frequent and definite complaints have been received, alleging misrepresentations by salesmen in presenting "membership" contracts of the association. The further charge is made that its literature seems intended to create the impression that automobile insurance is being offered to the prospect, when such is not the case.

At various times Felton has been connected with the Pioneer Automobile Service Company, the Universal Automobile Service Company, the Universal Service Association and the State Motorists Alliance.

Bar Virginia Motor Outfit

RICHMOND, Oct. 16.—The Associated Virginia Motorists, Inc., has been permanently enjoined by the corporation commission from operating in this state. It was charged that the concern, which was chartered Aug. 19 with authorized maximum capital of \$10,000, was offering contracts to Virginia motorists with certain insurance features although it was not licensed to do any insurance business. The concern claimed it was offering legal services in the event of accidents rather than insurance protection. It was brought out that two of its salesmen had been operating under aliases. Further, there was no evidence of any paid-in capital. Ten witnesses from various parts of the state testified that the contracts had been misrepresented to them.

Alexander to Des Moines

W. W. Alexander has returned to Des Moines from Chicago to take charge of the Iowa safety division of the Central Mutual of Chicago. His territory will include all of Iowa, and part of Minnesota, Nebraska and Missouri. He will service trucks and passenger cars insured with his company to make sure they are equipped with proper safety devices.

Establish New Rating Bureau

The State Automobile Mutual Insurance Rating Bureau, Columbus, O., has been incorporated. It plans to inspect casualty and fire insurance risks in all states, furnish information to its clients and seek to bring about more equitable rates.

MARINE NEWS

Hijackings Take Large Toll

Losses Totaling Over \$85,000 Are Reported in Period from Aug. 27 to Oct. 5

NEW YORK, Oct. 16.—The most recent list of hijackings as reported to the Babaco Burglar Alarm Co. from Aug. 27-Oct. 5 shows a total loss of \$85,571. There is a notable increase in the theft of clothing. Because of this, inland ma-

rine underwriters are seriously considering restrictions on writing clothing risks in transit. The list is:
Beach Transp., Hudson, N. Y., cigs- arettes \$1,100
Roy Burns, Bloomington, Ind., cigs- arettes, cigars 100
H. Bedford, Geneva, Ill., sugar 900
J. J. Malone, Brooklyn, aspirin 3,000
Metrop. Tobacco Co., Brooklyn, cigs- ars, cigarettes 1,500
Schutz-Herman, Evansville, Ind., tobacco, candy 416
Crowley Express, Vineland, N. J., eggs 2,500
Maryland Wine & Liquor Co., Chi- cago, liquor 3,000
Checker Express, Chicago, shoes and hosiery 6,000
J. A. Calderon, Rochester, cigarettes, 1,855
Milton Wreath, Denver, Colo., cigs- ars, cigarettes 3,500
J. Armstrong, Cheyenne, liquor 600
Lancaster, N. Y., Freight, Philadel- phia, gasoline 600
E. Dupre, Newark garage, miscel- laneous 2,500
H. B. Glove Mfg. Co., Moline, Iowa, clothing 1,000
Fashion Park Clothes, Rochester, clothing 20,000
G. P. Barker, Varna, Ill., liquor 6,000
Empire Carriers, N. Y. C., fur coats 1,500
Black Diamond Exp., Scranton, Pa., silk 5,000
United Parcel Service, N. Y. C., fur coats 20,000
North Jersey Truck, Newark gar- age, clothing, miscellaneous 4,500

May Cover Neon Signs

AUSTIN, TEX., Oct. 16.—The Texas insurance board has approved amendment of the rules permitting the writing of neon signs as a marine cover. The order reads:

"The inland marine and/or transportation rules and definitions as adopted by the board of insurance commissioners, effective Sept. 18, 1934, are hereby amended to permit the writing of a marine or inland marine policy, to include the hazards of fire and lightning and windstorm and hail, covering on neon signs, street clocks and automatic electric signs for publishing the news, while in use as such."

Mutual People Are to Shun All Antagonistic Material

(CONTINUED FROM PAGE 4)

Such trips are revealing. The agent talks "off the record," the advertising man gets true pictures.

D. F. Raible, general sales manager, Hardware Mutual Fire of Minneapolis, explained the importance of making one sale lead to another. Although it is an old principle, he said, in most fields of advertising, it is as fresh and potent as ever because so rarely used to its full effectiveness. Mr. Raible said mutuals have not devoted enough time to building business from present policyholders.

The value and use of sales manuals in an efficient sales organization was explained by Leonard Jones, president of the conference and advertising manager for the Lumbermen's Mutual of Mansfield, O. Proper use of manuals, he said, conserves time of prospect and salesman and makes possible a presentation of the subject in its proper sequence, in-

sures covering the most important points of the product or service to be offered, and makes the salesman's story more convincing.

Paul Purnort, advertising manager Central Manufacturers Mutual of Van Wert, O., said a house organ brings the company closer to the agent, tells him of new plans and purposes of the company, and impresses him with sales practices which are deemed most important.

The house organ is a good vehicle to use in pushing certain lines for particular promotion. The agent will work hard to obtain creditable mention as a topnotch producer.

Advantages of a card system for keeping tab on prospects were explained before the ad-sales conference by W. C. Sampson, Employers Mutuals, Wausau, Wis.

Another speaker was W. H. Carey, assistant advertising manager of "Time."

Answers Anonymous Slam at the Pearl

(CONTINUED FROM PAGE 5)

It mentioned the fact that the license of the Pearl has been suspended in North Carolina.

It said that the Pearl has a 20-line treaty with London Lloyds and that the London Underwriters are considering its cancellation. It said that representatives of the Pearl in this country have been in London trying to get additional funds, "with what success is not yet apparent."

Disposed of Allegations

Mr. Gallagher took up these allegations one by one and disposed of them to the complete satisfaction of his audience.

He said the Pearl's treaty with London Lloyds was canceled as of Jan. 1 of this year and was rewritten for a five-year term.

The company's license was suspended in North Carolina for six months because of the unauthorized action of a St. Louis general agency in writing automobile finance business in the state. The management of the Pearl, according to Mr. Gallagher, knew nothing about this situation until the insurance commissioner of North Carolina called a hearing.

The 1934 statement has been approved, he declared, and the quarterly statements as of March 30 and June 30 have been filed. The March 31 statement, he declared, shows statutory deposit \$400,000, net surplus \$1,739,568, premium reserve \$6,749,890.

As of June 30, the statement showed deposit \$400,000, net surplus \$1,572,059 and premium reserve \$7,291,256.

Mr. Gallagher explained that American branches of foreign companies are required to file two kinds of statements. The first is the regular one and the second is a so-called capital statement. In the second statement, the company is not permitted to take credit for agents' balances, money in banks not controlled

by the trustees, reinsurance recoverable and several other items.

Representatives of the American management have been in London, Mr. Gallagher stated, and they have arranged for \$2,500,000 to be made available in this country. That sum increases the surplus by that much. It is required only because of the peculiarities of the capital statement. The company has \$1,000,000 of cash that is not under the control of the trustees, for instance.

The Chicago people were greatly pleased to hear Mr. Gallagher's statement that the Pearl intends to operate in Chicago on a thoroughly orthodox basis. Mr. Gallagher asserted it would be "suicide" to operate on any other basis in the city.

Reviews Pearl's History

Mr. Gallagher said the Pearl is the second largest life insurance company of Great Britain. It started in 1864, was entered in the United States in 1927 and since 1932 has been under its present management. The home office capital is \$7,500,000, assets \$483,013,154 and net surplus \$94,861,945.

The company, he said, has offices and managing agencies in 51 cities throughout the world.

The success of British organizations in general, he declared, is due to their adaptability to local conditions. The Pearl, in operating in this country, he contended, is adapting itself to conditions in this country. Its principal heads in this country are Americans, it is going to operate on the American basis and through the American agency system, he said. It is not going to "tear the insurance business up by the roots," he asserted.

Meeting Public Demand

The Pearl, according to Mr. Gallagher, does not entirely agree with some of the things that are regarded as of biblical force among organization companies. The Pearl is not out to cut rates, he asserted, but where it is legal and where it is sound underwriting, the Pearl will not hesitate to meet the public demand even if there is no authority for the method in the rule book.

Mr. Gallagher declared that he holds one of the most interesting positions in the insurance world today.

Seated at one of the tables was Mr. Gallagher's father, T. E. Gallagher, the venerable retired general agent of the Aetna Fire.

P. B. Hosmer, president of the association, presided. The slate of officers, as announced last week, was elected. Mr. Hosmer again serves as president.

Need for Rate Cut Is Not Indicated, Pink Asserts

(CONTINUED FROM PAGE 5)

the permissible. From this he deduced that the rate makers have been relatively successful in achieving the results sought.

He pointed out there must be difference in territories. The number of

claims under P. L. policies has averaged about 7½ for each 100 cars throughout the state. Yet in New York City, excluding eastern Queens and Staten Island, the average is upwards of 17. The rural counties show a claim frequency of four.

There is a difference in hazard as between cars in different price brackets and he commercial car hazard is greater than that of the passenger. The cost of insuring a passenger car in New York City is about three times as much as in the rural counties but it costs approximately six times as much to insure a commercial car in New York.

Taxicab Situation

Mr. Pink pointed out that high premiums do not necessarily mean high profit. He cited the taxicab situation. The mortality of taxicab insurers has been exceeded only by that of the mortgage companies, he said. The entire taxicab industry is in a deplorable condition, he asserted. If the insurance world makes no effort to make the business stable, it may be that resort to a state fund will be necessary, he contended.

"I have heretofore said that state insurance is 'a doubtful road to safety and one to be traveled with caution.' I repeat it here. It is with great reluctance that I would travel it, if at all. But taxicabs have become an integral part of public transportation and those injured must receive adequate protection. The state cannot honorably give them less."

Mr. Pink mentioned the rate reductions that had been effected in fire insurance in New York in recent years and then concluded with his statement about the low loss ratio situation.

Three New Men on Committee Rolls

(CONTINUED FROM PAGE 3)

ester meeting he served as chairman of the resolutions committee. He has taken an active part in the Republican party in his state.

Mr. Dunbar is president of the Nebraska Association of Insurance Agents, serving his second term. At the mid-year meeting at Miami he was the leader in the discussions on inland marine insurance. He is a native of Sioux City, Ia. His boyhood was spent at Fremont, Neb. He attended Midland College. In 1909 he joined the Nebraska Inspection Bureau as map clerk and was made branch manager at Lincoln, resigning in 1917, establishing his own agency at Omaha. He has served as president of the Omaha Association of Insurance Agents. He has been secretary and treasurer of the Nebraska association. At the Rochester meeting he presided over group No. 1, discussing agency management and operation.

Mr. Menn is one of the best known delegates who attend national meetings. He, the late Percy H. Goodwin of San Diego, Cal., and Eugene Battles of Los Angeles made a trio from California that

The INDIANA INSURANCE COMPANY

writing

Fire, Windstorm, Plate Glass and Automobile Insurance (all coverages)

announces

The removal of its Home Office to
Third Floor, Consolidated Building, Indianapolis



Doctors tell us we laugh because of our endocrine glands, and speak learnedly of our reflexes, and talk of emotional psychology, and intimate if we don't laugh we're morbid, and if we laugh too much we're silly; and then they recommend we have two bicuspids and a canine extracted by our dentist who uses "laughing gas" to reduce us to an acquiescent mood. Of course, the doctors have a number of precedents to back up their decisions.

Even Aesculapius, the god of medicine, wrote comic songs to promote circulation in his patients. But we depend on our representatives to promote the circulation of our life blood—premiums. That these men are doing a good job is evidenced by the condition of The Connecticut Fire Insurance Company, of Hartford, Conn.

**Cash Capital \$ 2,000,000.00
Net Surplus 11,013,713.79
Assets 19,130,425.82**

put the state well to the front in national councils. Mr. Battles found it impossible to continue on the committee. Mr. Menn was born in San Francisco in 1891. He started in the office of the George H. Tyson general agency in that city and then moved to Los Angeles where he was employed for six years with the Fred S. Hughes agency, after which he started in business for himself. On his return from the war he engaged in the business of establishing the firm of Menn & VanKuik. He served the Los Angeles Insurance Exchange as a member of the governing committee for a number of years and then became president. He also was president of the California Association of Insurance Agents, having been a member of its board for some time. During the last five years he has been a member of the board of building and safety commissioners of Los Angeles and served two terms as president. He is now president of the Los Angeles Executives Association. Mr. Menn has always been prominent at national conventions and has taken a conspicuous part in their deliberations.

F. C. Snapp Named Manager of New State Farm Fire

(CONTINUED FROM PAGE 3)

He was formerly connected with the southern department at Atlanta of the Hardware Mutual group of Stevens Point, Wis.

G. D. Holcomb becomes agency supervisor and inspector for Illinois. He had a general insurance experience before going with the State Farm organization two years ago.

Career of Snapp Told

Mr. Snapp was born on a farm in central Indiana and graduated from the public and normal schools. He engaged in public school work, teaching and supervising. In 1914 he became attracted to the insurance business and purchased an interest in the Heiny agency of Monticello, Ind.

He later sold his interest to join the National of Hartford as special agent in Indiana. In 1919 he made a connection with the Aetna Fire doing general field work and adjustments. He went to Chicago in 1923 to take charge of the farm department. In addition to his specialty, he has kept in close touch with all lines and departments.

Mr. Snapp is known as a student of valuation and appraisals of urban and farm property and was a leader in the movement in 1930 in the readjustment of insurance in accordance with declining values.

Expounds Doctrine of Organization

(CONTINUED FROM PAGE 3)

an improvement in the water supply and fire protection. It was the engineer's second trip to that city. Mr. Thomas observed that the competitors were not in the mayor's office but were willing to rest on the specifications based upon the experience and information of stock fire companies and when the rate, based upon these considerations, is promulgated, they capture it as the basis from which to launch a campaign of competitive quotations.

Bear Various Gifts

The free lance concerns, he declared, always approach a well established agency bearing gifts of one kind or another. It may be a concession in rates on limited classes, a higher commission or the privilege of installment payment of the term premium. They try to gain a foothold in an agency on a scheme of transacting the business which, if followed through, would destroy the value of that agency.

These companies, he said, have a strange passion for the agents that represent organization companies. They seek to get into good agencies quietly

Double Decker Committeemen



FRANK T. PRIEST, Wichita, Kan.



SIDNEY O. SMITH, Gainesville, Ga.

Two men who are retained on the National Association of Insurance Agents executive committee also become chairmen of very important standing committees. Last year Frank T. Priest of Wichita served as chairman of the finance committee in addition to his executive committee duties. He is reappointed. Sidney O. Smith, one of the wheelhorses on the executive committee, becomes chairman of the important membership committee, thus doing double duty.

to write a few selected risks. "If they can get that agent's sticker on a few of their policies the campaign is in full swing and the chances are improved for attacking another good agency representing organization stock fire companies."

As soon as "the stranger" is seated at the table, according to Mr. Thomas, he starts criticizing the inspection bureau. All the business he wants to write is rated too high and he has to cut the rates to get it, while all the business he does not want to write is rated too low. The free lancer undertakes to cause the agents to become disgruntled.

Selection and Lower Rates

"What about the boasts of mutual companies that because of strict selection they can afford to make lower rates?" Mr. Thomas asked. In answer he told of solicitation of a brewery risk, in course of completion by the mutuals. They said they would quote the stock company rates, when made, less 25 percent.

"That," Mr. Thomas said, "is what I call free-hand rate making, requiring no research or previous experience."

He pointed out that the average rate for fire insurance has been lowered each year for the past 30 and he declared that until someone comes along with something better than a guessing system he will stand by the present system of careful inspection and application of the only known science of estimating fire hazards.

So long as free lancers and organization companies are represented in the same agency, the mutuals will continue to be choosy, he said. He asserted that an agent who takes on the representation of an outsider involves himself in a question of business morals. He cited the fact that agents take the agency of a mutual in the name of a clerk or in the name of a wife and keep the supplies at home.

Purpose of Representation

"Have you not sometimes felt that your competitor had a mutual for the purpose of trying to reduce the premium charge for some of your policyholders rather than to save his own clients some money?" Mr. Thomas asked.

Mr. Thomas asked the agents to consider what type of company they would select if they were setting up an agency to run 50 years. The difference between classes of companies is in principle and business policy and they are far apart, Mr. Thomas contended. They cannot

be brought together by being represented in the same office, he said.

Mr. Thomas said the agency cannot expect the organization companies to bear the expense of its services while other classes are skimming the profitable business out of important agencies, which also must have organization company facilities.

Organization companies, according to Mr. Thomas, do not aspire to write all of the business. Competition will always exist. There will always be agents and property owners who prefer mutual insurance and that sort of agent cannot be expected to advance the interest of stock fire companies. Likewise the agent who believes in stock fire companies cannot be expected to represent mutuals properly.

The Western Underwriters Association, Mr. Thomas said, believes there should be as many classes of agents as there are classes of companies and that the representation by one agent of all classes results in the multiplication of competition and that the compounding of competition in the same agency is demoralizing and will lead to the destruction of the agency system. The agent should make the choice as to what system he will promote. Each class of companies and each class of agents should be placed squarely before the public to be judged on the merits of their facilities and services.

Program Is Announced for Connecticut Meeting

Arthur Bradshaw of Bridgeport, secretary Connecticut Association of Insurance Agents, has issued the program for the annual meeting to be held at New Haven, Oct. 22. T. A. Sturgess of that city is president. J. P. Redding, president New Haven Association of Insurance Agents, will give the welcome, after which will come the annual reports of the officers and standing committees and election of officers.

At the luncheon there will be an address by Dr. John L. Davis, New York City, the humorist. In the afternoon Insurance Commissioner J. C. Blackall of Connecticut will speak as will W. H. Bennett, secretary National Association of Insurance Agents. C. E. Freeman, superintendent business promotion department of the Springfield F. & M. head office, will give a sales demonstration. Headquarters will be at the Hotel Taft.

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WISCONSIN AGENTS NUMBER

Wisconsin Agents Gather at Sheboygan

Mutual Situation Stirs Gathering

Local Boards Make Effort to Clear
Agencies—Sheboygan Prob-
lem Viewed

RYGEL IN APT COMMENT

Compensation Commissions Taken Up
by Calhoun—Foster and Hall Talk
—Board Breakfast Held

By ROY W. LANDSTROM

Although the Wisconsin meeting this year was featured by a large number of excellent addresses, mutual competition came in for more than its ordinary share of attention. This was especially true at a meeting held the evening before the convention got underway, at which mutual competition was very freely discussed as to a local condition existing in Sheboygan. The Sheboygan Board, organized a little over a year ago, has functioned in no uncertain way in lining up considerable city and county business. The board is composed entirely of agents representing solely stock companies. A number of non-members consisting of some purely stock agents, some mixed stock and mutual and some purely mutual agents have, in competition with the Sheboygan board, submitted bids on city and county business in mutual companies. Members of the Sheboygan Board were very outspoken

(CONTINUED ON PAGE 32)

Compensation Commission Big Issue at Convention

Calhoun, Reporting for Adminis-
tration, Expresses Hope 17½
Figure Will Be Restored

Although the acquisition cost conference has increased the compensation commission in Wisconsin to 14 percent from the 10 percent that has been allowed since Jan. 1, President W. B. Calhoun, in giving the report of the administration at the meeting of the Wisconsin Association of Insurance Agents at Sheboygan, said the executive offices hoped that commissions may be restored to the previous top of 17½ percent.

Mr. Calhoun recalled that the Wisconsin agents supported strongly the compensation rate filings last fall of the National Bureau of Casualty & Surety Underwriters, but the companies, failing to get what they wanted from the state, reduced commissions as of Jan. 1, 1935.

Recalls the Licensing
Bill Situation

Mr. Calhoun referred to the agents' licensing bill, introduced in the legislature at the instance of the Wisconsin association. The committee representing the state association and the field men agreed upon a bill, but later A. G. Meredith, president of the Wisconsin Fire Underwriters Association, asked that the agents withdraw their support of the bill because it exempted mutual agents. The quid pro quo was that the field men would promote the organization of local and county boards.

Mr. Calhoun mentioned the address given by Commissioner Mortensen of

(CONTINUED ON PAGE 30)

C. F. Liscomb, Duluth, Observes
Wisconsin, Minnesota Agents
Have Common Problem

Charles F. Liscomb of Duluth, in addressing the annual meeting of the Wisconsin Association of Insurance Agents at Sheboygan, naturally dwelt on the subject of reduced commissions on compensation business, since the agents' percentage has been cut both in Wisconsin and Minnesota. He mentioned that the Wisconsin and Minnesota agents are faced with a common problem in this respect. He referred to the adjustment as "paying workmen's compensation losses out of agents' commissions," and termed this a "vicious method."

Expresses Hope Line
May Become Profitable

Mr. Liscomb declared that both the Wisconsin and Minnesota agents rendered aid in attempting to secure a proper increase in rate from the state officials. "You were rewarded by a reduction in commissions," he declared. "You were penalized for something beyond your control. We have never in the past, nor will we in the future, agree to the theory that a deficiency in rates may be equalized from commissions in any line of stock insurance."

Mr. Liscomb observed that there is a decided improvement in compensation and he expressed the hope that before long it may become profitable.

The agents have the common interest with their companies in protecting their collateral lines and the question should

(CONTINUED ON PAGE 30)

Name Hugh A. Bird Association Head

Charles W. Hejda, Manitowoc, Be-
comes Chairman of Execu-
tive Committee

ASK QUALIFICATION LAW

Strongly Oppose State Fund—Deplore
Movement Toward Contingent Com-
missions in Ordinary Territory

NEW OFFICERS ELECTED

President—H. A. Bird, Beaver Dam.
Chairman executive committee—
Charles W. Hejda, Manitowoc.
Vice-presidents—J. R. Schuster, Beloit;
W. C. Thornton, Fond du Lac;
Gerry Pauly, Sheboygan.

The Wisconsin Association of Insurance Agents at its 37th annual meeting in Sheboygan, elected Hugh A. Bird of Beaver Dam, president and Charles W. Hejda of Manitowoc as chairman of the executive committee. In electing these two men the Wisconsin agents have honored two of their stalwarts. These men have fought hard for association principles and have given unstintingly of their time both in the local and state association activities. In electing J. R. Schuster of Beloit, W. C. Thornton of Fond du Lac and Gerry Pauly of Sheboygan as vice-presidents, Wisconsin agents have chosen three strong asso-

(CONTINUED ON PAGE 30)



H. A. BIRD, Beaver Dam
New President



W. B. CALHOUN, Milwaukee
Retiring President



C. W. HEJDA, Manitowoc
Chairman Executive Committee



J. G. GRUNDLE, Milwaukee
Secretary-Treasurer

Walinder Urges Use of Sanctions

Suggests Farm Agents Show Teeth to Companies Issuing Master Contracts

AMERICA FORE MAN TALKS

Appeals for Better Underwriting of Windstorm Line; Favors Rate Readjustment

Application of sanctions against those companies that issue master policies through large city brokers, under which individual farm risks are written, was suggested to members of the Wisconsin Association of Insurance Agents at their annual meeting in Sheboygan by Bert R. Walinder, state agent of the America Fore group, in his address.

Local agents, he contended, are being denied commissions which are due them. Each year hundreds of thousands of dollars of premiums, he said, are being paid by farmers for business written through large city brokers under so-called master policies. This is a blow at the American agency system, according to Mr. Walinder. Yet, he declared, there has been no concerted action against the master policy and the agents suffer as do the companies that have not elected to accept business through this channel. "Surely," he said, "you are in a position to turn on the heat."

Farm Windstorm Line Poorly Underwritten

Mr. Walinder referred to the farm windstorm business. Much of this business is poorly underwritten, he contended. There is lack of distribution and amounts of insurance are far too low to value.

Due to the neglect of properties during the depression, they are much more subject to loss and there is an increased tendency to make claim for "wear and tear" losses. Much of this business that is poorly written comes through the re-cording department, he said.

A tornado policy should not be written unless it covers at least 50 percent of the fair value on the building and should include a full line on personal property where the risk is owner occupied, he said. Mr. Walinder expressed the hope that there will be a revision in rates, to provide one scale for dwelling and personal property and one for barns and out buildings. Under the present set up, the owner of a farm that is tenant occupied enjoys an advantage since he is required only to insure buildings, paying the same rate as the tenant, although the tenant's personal property is far less subject to loss. There should be a distinction, he contended. The tornado rate was promulgated on a full distributed line and if this is not obtained the companies are entitled to a higher rate on the more hazardous items.

The rates charged are intended to apply only to good, substantial buildings. If roofs are in poor condition, the policy should be endorsed to exclude coverage on these specific roofs.

Mr. Walinder stated the case for stock insurance as against the participating variety. He cited recent assessments upon policyholders of a farm mutual of Wisconsin and another in Michigan on contracts issued four or five years ago. These assessments, he said, undoubtedly are being levied to pay unpaid losses, indicating that those that suffered loss were not promptly paid.

The farm agent, he declared, should give service rendered for his commis-

Dillard Hall Cuts Another Notch in His Safety Belt

J. Dillard Hall of Chicago, manager of the U. S. F. & G., and one of the most enthusiastic highway safety propagandists in the country, took his message to the members of the Wisconsin Association of Insurance Agents at their annual meeting in Sheboygan.

Mr. Hall brings out the same fundamental ideas in all of his talks, but he always localizes his material. He gets facts and figures about the state or city in which he is to appear, ahead of time and often produces information that is not generally known in the state or city. Mr. Hall stated he had been informed by the National Safety Council that the drivers' license law in Wisconsin is very weak. There is no periodic renewal of licenses and no examination of new drivers, in fact no effective administration by the state at all. In a few cities, including Milwaukee, the authorities have made use of the law to revoke a relatively small number of licenses following court conviction for drunken driving.

Any kind of a drivers' license law, he declared, should be regarded as in the nature of fire apparatus. It is not equivalent to firemen. That is the part of agents and other public spirited citizens. He urged agents to work with the motor vehicle department, highway department, chief of police and sheriff in seeing that the law is enforced. In saving one life or preventing one injury, the agent is doing a real service to his assured, for that is the only way that automobile rates can be reduced.

He told the agents they must become saturated with information as to what causes accidents and the public should look to the insurance men to lead them out of the wilderness.

A great army of men is needed to carry on the work and the insurance business can render no greater service than to join hands in the movement.

He gave some figures. In 1934, there were 708,913 automobiles registered in Wisconsin and there were 740 deaths, an increase of 11 percent over the 671 deaths in 1933, when there were 667,647 cars registered. In 1932 there were 694 deaths, in 1931, 781 deaths and 1930 894 deaths. For the first seven months of 1935 there have been 394 deaths, an increase of 7 percent over the same period last year.

Under the old drivers' license law in effect prior to August, 1931, there were 2,721 revocations of license. Since that time there have been 836 revocations. Since the new law went into effect there have been 1,905 suspensions.

Mr. Hall mentioned that Milwaukee was the first city in the national safety contest of 1934 and it holds the same record for the first seven months of this year.

sion, which represents the difference between the cost of mutual and stock insurance. The greatest service to be rendered is that of fire prevention, not only for the preservation of property but of life. Another service consists in keeping coverage adjusted to changed conditions. For instance, the service giving agent was alert this year to cause coverages to be increased in view of the bountiful crops and the increased value of live stock. Some agents, he said, have circularized policyholders, suggesting that readjustments be made to meet present conditions. They have followed these letters with personal visits. Another service, he contended, is pointing out to assured the difference between old line and mutual policies.

Mr. Walinder made a strenuous appeal to the agents to be on the lookout for the moral hazard. He said the companies have weeded out very largely the incompetent agents and small producers in Wisconsin.

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Fred J. Lewis Decries Mutual Representation

Fred J. Lewis of Milwaukee, in reporting to the meeting of the Wisconsin Association of Insurance Agents at Sheboygan as national councilor, expressed the belief that agents, in representing mutuals or reciprocals, are playing with fire. Mutuals and reciprocals, he declared, cannot pay dividend rebates to the assured and commission to the agent, except as a means to secure ultimate sole control of the risk.

Stock insurance, he said, acknowledges

the agent's right to expirations, while the mutual application, power of attorney and by-laws necessarily eliminate both agency interest and service. Incidentally, he said, the stock company that offers to cut the agent's reasonable commission and transfer the difference to the assured as a cut rate, is applying mutual and reciprocal methods that destroy the agent's income and business.

Stock insurance, he declared, recognizes that, aside from solicitation, inspection and survey necessary to proper contracts, the assured requires constant agency service to keep the policy valid through changes in the risk and in the insurance business, as well as advice on procedure necessary to prove a claim and payment of loss.

Name Hugh A. Bird Association Head

(CONTINUED FROM PAGE 28)

ciation men who are going to give President Bird strong support during the year.

A resolution was introduced from the floor urging the enactment of a law providing for licensing only agents who are qualified by experience and study properly to protect the public. There has been considerable discussion among Wisconsin local agents regarding the Wisconsin legislature's failure to pass the agency qualification law which had the backing of all insurance agency organizations in the state.

The convention also went on record as strongly opposing the state fire fund and deplored the growing movement in various sections of the country in allowing agents in ordinary territory contingent commissions. The Wisconsin association was strongly against this move.

Compensation Commissions Stressed in Calhoun Report

(CONTINUED FROM PAGE 28)

Wisconsin before the National Convention of Insurance Commissioners, advocating a state fund. "In selling the state fund," Mr. Calhoun declared, "the representatives of the insurance department have strayed from the straight and narrow in their endeavor to hold a line already in the state fund or in trying to secure a line now with the private carriers."

This, he contended, is unfair competition. The line should be won or lost on correct statement of facts, he said.

Contingent Commission Move to Be Watched

The movement under way in several states to procure contingent commissions for local agents in ordinary territory was cited by Mr. Calhoun. "This is a very large question for any association to tackle," he declared, "but your executive officers feel that the incoming administration should watch development of this subject so that they may not overlook an opportunity to render real service to our members if it is at all possible."

Although a number of members were dropped during the year for non-payment of dues, the membership is about the same as a year ago.

He recalled that during the year the Sheboygan Board became co-extensive. New boards were organized at Manitowoc, Stevens Point and Burlington, the latter on a co-extensive basis.

Registration stood at 170, with more than 200 attending the banquet, one of the finest turnouts the Wisconsin association has ever had.

Registration stood at 170, with more than 200 attending the banquet, one of the finest turnouts the Wisconsin association has ever had.

Observations on Badgers at Sheboygan Gathering

The Sheboygan Board was host at a brewery-buffet luncheon.

The local committee, which so ably handled the convention arrangements, consisted of Gustav H. Guenther, chairman; Arthur Winter, Ray Friedrichs, August Lutz, Adolph Baumann, Hubert Burkhardt, Gerry Pauly, president Sheboygan Board; H. A. Meyer, C. M. Juckem and Ralph Clarenbach. * * *

Miss Martha Liebl, who has been secretary to Gustav H. Guenther of Sheboygan for 16 years, is to be married to Arno Kremin of Sheboygan. * * *

The Sheboygan Board observed Fire Prevention Week by having one of the fire department trucks carrying a number of National Board fire prevention week posters, driving up and down the streets of Sheboygan during the convention. * * *

A number of company officials were on hand. Among them were W. S. Foster, assistant western manager North America; E. M. Schoen, western manager Atlas; R. S. Danforth, assistant secretary Millers National; John Rygel, assistant general agent Hanover; Wallace Rogers, Western Underwriters Association; Harry S. Norton, superintendent of agents American of Newark, and J. Dillard Hall, Chicago, co-manager United States Fidelity & Guaranty. * * *

Committees appointed by President Calhoun were: Nominating, Walter Greene, Milwaukee, chairman; Alvin W. Fox, Oshkosh; A. J. Devine, Manitowoc; resolutions, C. W. Hejda, Manitowoc, chairman; S. Kost, Stevens Point; Fred J. Lewis, Milwaukee; W. C. Thornton, Fond du Lac; Gus Guenther, Sheboygan; Gerry Pauly, Sheboygan; J. R. Schuster, Beloit; A. J. Petri, Fond du Lac. * * *

The ladies' contingent was well represented by Mrs. Myrtle B. West of Oshkosh and Mrs. Walter Krueger of Green Bay. * * *

The association was treated to some fine music by the Sheboygan high school band, which appeared both in the convention hall and in the lobby of the hotel. * * *

Wisconsin Commissioner's Post Eyed with Interest

MILWAUKEE, Oct. 16.—Insurance interests have been discussing the possible appointment of an insurance commissioner since the term of the incumbent, H. J. Mortensen, expired June 30, ending a four-year term. Mr. Mortensen is continuing in office until Governor La Follette either reappoints him or names a successor. There has been much gossip pro and con on a reappointment or a new appointment, with nothing definite available even from the governor himself.

It is understood, however, that Governor La Follette has not decided when he will act and there is no indication as to his possible choice. The gossip has named several prominent underwriters with Progressive leaning who might succeed Mr. Mortensen if the latter should not be reappointed. As a Progressive and favorable to state insurance, Mr. Mortensen has many supporters in political ranks but many insurance men feel that he has been too aggressive in his efforts to expand the state fund to additional municipal properties throughout the state and otherwise favor state and mutual insurance, not only in fire but in other branches. Others feel that on the whole he has done a good job as commissioner.

Liscomb Sees Same Issues in Wisconsin, Minnesota

(CONTINUED FROM PAGE 28)

be approached from the viewpoint of the greatest good to the entire business. The agents must remember the necessity of preserving the solvency of the companies and they must appreciate that

their principals cannot continue indefinitely to suffer a loss on a line such as compensation. The agent, therefore, must be prepared to assist in securing proper rates, he must be ready to give adequate service in underwriting, safety promotion and auditing. The insurance department, he said, will not fail to recognize the agent's ability to earn the full commission since the service giving worth can be well demonstrated.

Mr. Liscomb said the National Association of Insurance Agents is directed towards the improvement of the stock insurance business and is not seeking to antagonize or dictate to the companies. He listed the various important accomplishments of the National association and he contended that each one of them was in the interest of the companies as well as of the agents.

Try "One-in-All-in" Rule

TORONTO, Oct. 16.—The Canadian Underwriters Association, formed earlier this year to merge the existing tariff bodies in eastern Canada, has not yet begun to function, but a start of some kind is expected this autumn. At present the "in-one-in-all" rule is being tried in Ontario and Quebec, but the outcome is still uncertain.

W. F. Klair Reported Improving

W. F. Klair of the Klair & Scott agency, Lexington, Ky., long a prominent political figure in Kentucky, is reported improving at a hospital there. He has been seriously ill for the past several weeks. He operates one of the largest agencies in that section of Kentucky.

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Oklahoma Agents' Strong Program

Annual State Meeting Brought Out Many Valuable Now Chief

E. W. CLARKE NOW CHIEF

W. H. Bennett, Secretary National Association of Insurance Agents, Was the Featured Speaker

NEW OFFICERS ELECTED

President—E. W. Clarke, Oklahoma City.

Vice-president—R. H. Farnham, Duncan.

Executive committee—J. S. Adams, Oklahoma City; Geo. McCurdy, Tulsa; F. W. Wiles, Blackwell; V. V. Sills, Ponca City; C. Ray Lawyer, Henryetta.

By F. B. HUMPHREY

OKLAHOMA CITY, Oct. 16.—After several years of one-day meetings, the Oklahoma Association of Insurors this year went back to the old plan of a two-day convention held at the Oklahoma University Club here Tuesday and Wednesday of this week. The change resulted in a largely increased attendance and enabled Chairman E. R. Ledbetter of the program committee to arrange an exceptionally interesting program.

The high point was, of course, the address of Walter H. Bennett, Secretary National Association of Insurance Agents but the whole program was of such interest that the meeting room was completely filled during the entire meeting.

Resolutions adopted opposed passage of a compulsory liability law and recommended instead a financial responsibility law patterned after other state laws that have proved successful; called upon both companies and agents to cooperate in eliminating mixed agencies; urged legislation backing up Governor Maryland's highway safety campaign; requested simplification, clarification and broadening of the supplemental contract; commended S. W. Philpott for his activity toward tightening agents licensing requirements.

Report of the Secretary

President Addison Sessions, Okmulgee, introduced Buford Breeding, president of the Oklahoma City Board, who welcomed the delegates, after which James Quinn, Bartlesville, gave a brief report as secretary, in which he stated that during the past year the association had completely wiped out its old debt to the National association; had paid its first quarterly dues to the National association, and had a cash balance of \$150. He stated that in the past the brunt of the expenses of the state association have been carried by Oklahoma City and made a plea for the smaller towns to do more association work.

President Sessions' Talk

President Sessions had prepared no regular report, but briefly reviewed the work during the year, stating that bulletins had been sent and that special agents have in every way cooperated. Mr. Sessions said that while a membership of 156 appears small compared with the total number of licensed agents, these agents write 80 percent of the stock company business. There are now 10 organized boards.

Dick Miller, manager Oklahoma Audit Bureau, in talking upon the supplemen-

tal contract, stated that, in his opinion, it is the most important step in years and that it is a forerunner of a more comprehensive policy. He described the contract and then explained the rules governing rather than the contract itself, and at the conclusion of his talk answered a number of questions addressed to him from the floor.

S. W. Philpott, secretary State Insurance Board, followed with a talk on "Agency License Control vs. Present Chaotic Conditions." He stated that the attorney general handed down an opinion that the Insurance Board has power to examine mutuals and reciprocals, and in connection with this report he said that the board will now refuse to approve any rate below the established rate filed by any mutual or reciprocal until the carrier has been examined and the board is convinced that its financial condition is such that it can pay claims on business written under the lower rate.

State Fire Marshal's Talk

In a short talk, W. E. Theimer, state fire marshal, stated that the insurance business is the bulwark of the financial world, and in talking about "Over-Insurance and Arson," declared that over-insurance is one of the direct causes of arson and that agents can assist in overcoming it by carefully checking the amounts of insurance issued. They can further assist the fire marshal by passing on to him any information or suspicion they may have in regard to arson cases. He outlined the state fire prevention program and praised the work being done by the various fire departments, stating it will be well for the agents to become better acquainted with the officers of the fire departments, and in this manner cooperating with them in fire prevention.

Tells About the HOLC

"Insurance Transactions With Home Owner's Loan Corporation" was the subject of a paper by Earl Tankersley, district reconditioning and insurance supervisor, HOLC, Oklahoma City.

The Tuesday morning session closed with a talk by E. F. Lafon, manager Compensation Rating Bureau.

President Sessions appointed the following committees:

Nominating: J. C. Kennedy, chairman, Lawton; Buford Breeding, Oklahoma City; Ray Lawyer, Henryetta; R. H. Farnham, Duncan; Gus Nordstrom, Tulsa, and Vernon Sills, Ponca City.

Resolutions: E. W. Clarke, chairman, Oklahoma City; George McCurdy, Tulsa; Russell Davis, Bartlesville; Ben Harned, Okmulgee; Herb Heiman, Oklahoma City, and John Moffett, Muskogee.

John H. Carlock, state administrator of the Federal Housing Administration, in a brief talk asked for the cooperation of the agents in the FHA work.

Charles F. Thomas Introduced

T. Ray Phillips, Oklahoma City, most loyal grand gander of the Blue Goose, was introduced and he in turn introduced Charles F. Thomas, manager, Western Underwriters Association, Chicago, who talked on "Organization Stock Fire Insurance Companies."

E. R. Ledbetter, Oklahoma City, national councilor for Oklahoma, presented Walter H. Bennett, secretary the National Association of Insurance agents.

William Quaid a Speaker

Following Mr. Bennett, William Quaid, vice-president of the Home of New York, in a brief talk on "Fire Insurance Sidelines," stated that the world is becoming socially minded and that the business of insurance is more social than any other business. It is on the threshold of its greatest development and must blaze new trails and carry on with a new philosophy. He stated that one of the greatest problems of today is that of expense. Two main items of expense are the cost of running the company and the agency cost. He stated that the cost of operation has been gradually reduced. Reforms, he stated, are rarely initiated by the companies, but

nearly always by the agents. It is a mistake to consider reduction of premiums instead of considering the reduction of the hazard. Payment of losses is an incidental part of the transaction, because the biggest job is not the payment of losses but the prevention of losses.

In his talk on "Production opportunities in Marine Lines," H. I. Schweppen, Atlanta, manager southern marine department, Automobile of Hartford, declared insurance men have learned from the automobile industry that real competition is not from within the business but from without. The automobile manufacturers have given more car for the same money instead of the same car for less money. Agents can increase their income by additional coverage.

Manager Gorsuch a Speaker

C. G. Gorsuch, Texas manager, Fidelity & Casualty at Dallas, had for his subject "Bond Production" and covered it in a novel manner. Instead of giving a direct talk, he had prepared a series of questions and answers. He read the questions and the answers were given by one of the men from his Dallas office.

Before these questions and answers, Mr. Gorsuch stated that most people fail to differentiate between bonds and insurance contracts, stating that insurance deals with conditions and bonds deal with individuals, stating further that surety bonds deal with things that will be done and fidelity bonds with things that will not be done.

Total registration was about 180.

S. W. Philpott, secretary of the state insurance board, made known his intention to improve the character of the agency force by more rigorous licensing procedure. He recalled that he appointed a committee of 10 insurance men to draft a code of regulations by which those applicants for license will be measured. The present application blanks, he declared, have proved inadequate and have been regarded as perfunctory. When the code is drawn he said he would assign his secretary to investigate the qualifications of each applicant.

Oklahoma Head



ADDISON SESSIONS

pliant. The board intends to stop the writing of insurance by incompetent and irresponsible persons.

Vernor Minneapolis Speaker

MINNEAPOLIS, Oct. 16.—An inspiring address on "Personalities in Insurance" by R. E. Vernor of Chicago featured the joint luncheon meeting of the Blue Goose and Insurance Club of Minneapolis. About 100 attended. Thomas Linnell, president of the Insurance Club, presided with George Duerr, most loyal gander of the Blue Goose, representing the latter organization. The program was sponsored by the Western Adjustment and in charge of C. L. Mehagan.

Au Revoir Oklahoma Agents

... we enjoyed having you in Oklahoma City for your annual meeting ... we hope you will come again soon ... we wish you the best of luck and success. . . .

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Dallas
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Mutual Situation Stirs Gathering

(CONTINUED FROM PAGE 28)

in saying that they wished the field men, many of whom were present, would resign agencies that represented both stock and mutual and agencies that, although they were stock, were backing these mutual bids for city and county business. Field men affected were those with fleets, having companies in both types of agencies.

John Rygel, assistant general agent of the Hanover, said that he could not see why companies cannot get together with local groups such as the Sheboygan Board, which is trying to do just what the companies want them to do. "We cannot cooperate as a group of companies but this is distinctly an individual company-field man problem. Companies that are favorable to the Sheboygan Board should make the move in dual representation, resigning from those agencies that are not cooperating. I cannot understand how an agent can represent both stock and mutuals. The companies are getting the cooperation from organizations such as yours here, and yet I cannot understand how the companies in our own ranks will not cooperate with us. The Kansas situation was cleared up by cooperation on the part of companies, field men and local agents." The Sheboygan association is going to write a letter to all affected companies in Sheboygan asking for definite action within the near future.

The regular session of the convention was opened by President W. B. Calhoun, followed by the singing of America led by H. A. Bird, chairman of the executive committee. The address of welcome was made by Gerry Pauly of Sheboygan, to which Mr. Bird responded. C. P. Helliwell, Wisconsin general agent of the New Brunswick and Halifax, extended greetings from the American Association of General Agents.

President Calhoun Reads Report of Administration

President Calhoun read a report from the administration.

The National association has asked Mr. Calhoun for data on the compensation situation in the state. The stock companies are asking for a Wisconsin compensation rate increase of 5.1 percent and an increase in the rate loading factor from 38 to 40 percent. The mutuals want only a 1.4 percent increase. In checking the loss ratios for 1932 and 1933, it was brought out that the loss ratio was 57.8, a decrease of 6.8 percent over the two previous policy years.

L. C. Hilgemann, Milwaukee, reported for the legislative committee. A great many bills were introduced. Mr. Hilgemann said that this year the duties of the legislative committee for the most part had been negative. "It seems that in Wisconsin we have to be combatting adverse legislation most of the time," he said.

Irving P. Mehigan, Milwaukee attorney and legislative counsel for the Wisconsin association, in speaking on the work of the 1935 legislature said that 1,600 bills had been introduced and 500 became law. The work of the Insurance Federation of Wisconsin this year had the full cooperation of the mutuals in effecting 175 bills affecting insurance. He said that House Bill No. 213S called for a judgment for negligent operation of an automobile so that the judgment becomes the first lien on the automobile. This bill was so amended that now the person who has a judgment must make arrangements with the court to pay partial or all of the judgment or lose his license to operate an automobile.

Charles Liscomb, Duluth, in a talk as National association executive committee man, reviewed the compensation problem as it affected agents in Wisconsin and Minnesota and then went on to cite the major accomplishments of the National association. In discussing "Problems of Sound Underwriting," B. R. Wallinder, farm state agent Continental

Fire, said that considerable more farm business can now be written due to the change in the financial status of most farmers.

J. Dillard Hall, United States Fidelity & Guaranty co-manager in Chicago, in his talk on "Automobile Accident Conservation," brought out some interesting Wisconsin figures. Last year there were 740 deaths or an increase of 11 percent over 1933. The first seven months of 1935 showed a 7 percent increase.

"Company-Agency Relations" was ably handled by W. S. Foster, assistant western manager of the North America. Company-agency relations are more cordial now than they have ever been, Mr. Foster said. They should be so cordial that they should not be a subject of discourse at any company or agency gathering. He brought up the new U. & O. forms which are being studied in various committee meetings. "We cannot talk fixed expenses, etc., in talking about the use and occupancy," he declared. "We must talk earnings. That's all we have covered in the policy and that is all we ever will cover. I would rather have it called 'prospective earning' instead of use and occupancy. In England it is called profits insurance." Mr. Foster said that he had recently received a letter from one of the home office officials of the Royal Exchange of England in which he enclosed two speeches he had recently made on profits insurance, or "what a man has left after all is paid."

Hilgemann Reports on Rochester Happenings

Mr. Calhoun called upon Mr. Hilgemann of Milwaukee to give a short report on the Rochester meeting. There was likewise a request from the floor for a resolution insisting upon an agency qualification law in Wisconsin.

The banquet held at "Old Heidelberg" was a speechless affair. The entertainment consisted of an exhibition drill by the Sheboygan Gymnastic Society and singing by the Sheboygan High School a capella chorus.

Again this year Monroe Porth of Milwaukee was in charge of the local board breakfast conference. This session which was an innovation last year proved so successful that it has become a permanent feature of the Wisconsin association meetings. Speakers at this session were Gerry Pauly of Sheboygan, A. J. Petri of Fond du Lac, Mrs. Myrtle B. West of Oshkosh, Charles J. Hejda of Manitowoc. In his remarks, Mr. Porth, as chairman, said that many of the problems of local boards can be solved by the National association if they would promulgate a model constitution and by-laws for local boards. Fred Lewis is a member of the National Council.

In commenting about the local situation at Manitowoc, Mr. Hejda said that the board was relatively new but had 24 members when organized. It had to take in representatives of both stock and mutual companies in order to get organized. He hopes that in the future they will be able gradually to get the agencies to clear. Fred Stemm of Kenosha said that the board there is two years old, has 86 full time agents as active and associate members and that 10 percent of commissions of all the county and city business is withheld by the board treasurer for return premiums, etc. He said that there are only two agencies in the board which represented both stock and mutual companies. Kenosha, in a short time, he said, would have a paid secretary, not a full time one, but one who would devote at least a good part of his time to serving the interests of the board.

Gustav H. Guenther of Sheboygan asked Mr. Hejda why the companies insist upon separation in agencies as regards Western Underwriters Association and Bureau and yet stay in the same offices as mutuals. Mrs. Myrtle

West of Oshkosh answered that the companies will certainly cooperate if the agents ask them to.

It was at this juncture that J. R. Bond, the Wisconsin manager of the Central Mutual of Chicago, asked for the floor and said: "The stock agent goes part mutual by force. There is a marked difference between non-agency mutuals and agency mutuals." The agency mutuals should be recognized, he said. "You need mutual agency companies to meet the competition of direct writing mutuals. Local boards should not overlook the agency mutuals." Naturally this talk created quite a bit of excitement in the meeting. Here was a purely stock meeting at which the mutuals were being lambasted and a mutual man had the courage to stand up in a meeting and give his own views.

Mr. West immediately answered Mr. Bond that there was no middle road for an insurance man. He must either be entirely stock or entirely mutual. He cannot carry water on both shoulders. Mr. Hejda answered that the mutual system is either right or wrong. "You cannot use one mutual to fight another."

Quaid Urges Following New Trails in Future

William Quaid, vice-president of the Home of New York, spoke on "What Is Ahead of Us?" "We are being informed that the world is going social minded," he said. "We are coming into some new sort of philosophy. Insurance is a social business. People who have created something of value are turning to insurance to protect it. The business of insurance today is on the threshold



THESE are days when business-getting agents appreciate the Northwestern Fire & Marine Insurance Company. The Northwestern is quick to help an agent with practically any form of property insurance.

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of its greatest advancement. We must scrap worn out tradition and follow new trails. The new type agent will have easy sailing because he will have a knowledge of the business but he must demonstrate the business to the public." He spoke of the expense of running the insurance business and said he would rather call it "cost of operation." Under this heading he gave two items, one of company operation and another of commission costs. Under the cost of operating companies, he said that in 1932 the fire companies protected \$650,000,000 more in property than in 1922, and received \$101,000,000 less premiums.

Pays Tribute to Local Agents' Position

On the subject of commission costs he said, "I am speaking only of those agents who are mentally, morally, financially and physically fit to operate. Everything worth while in the insurance business originates with the local agent. We are making a mistake in putting emphasis on reduction of rates instead of reduction of hazards." He compared the duties of a local agent in keeping a risk alive to the life insurance companies' annual medical examinations in keeping the risk healthy. He said that it is an agent's duty to keep a risk well inspected and keep the owner of that risk informed on all known improvements that will serve to keep that risk from burning and to keep it a healthy risk.

A. C. Meredith of Oshkosh, president of the Wisconsin Fire Underwriters Association, spoke on "Organizing the State." "In Wisconsin," he said, "we have the greatest number of mutual companies of any state with one exception. We are experiencing competition from political sources, and in no small measure, from reciprocals and inter-insurers. Business of our agents in small communities is being lost to brokers due to concentration of ownership in the large cities of our nation. These conditions concern us as field men and companies just as much as they concern you agents. To the end of furthering the American agency system we propose to organize this state by counties or groups of counties (subject to their will) of all agents who represent stock insurance companies. The field men for the following reasons desire the organization perfected:

Four Objectives of Organization Outlined

"1. To hold for our agents the business of each county and municipality within that county.

"2. To establish safety councils, eliminate highway hazards, and thus through rate reductions retrieve a large part of the casualty business that has been lost in recent years.

"3. The formation of public relations committees which will impress upon buyers of insurance the real value of our commodity.

"4. We believe that only through organization will our agents be enabled to meet in the various communities of their counties, which meetings will promote mutual respect for the business which in turn will bring about fair and ethical business practices."

Following this talk Fred J. Lewis of Milwaukee, national councillor, made his report, after which Monroe Porth of Milwaukee proposed a rising vote of thanks to the retiring president, W. B. Calhoun.

H. T. Moran Back on Job

H. T. Moran of the Moran Agency, Oklahoma City, chairman of the publicity committee for the convention of the Oklahoma Association of Insurers, has just returned to his office after undergoing a major operation.

Fraser Fire Company Director

Peter M. Fraser, vice-president of the Connecticut Mutual Life, has been elected a director of two companies in the Phoenix of Hartford group, the Phoenix itself and the Connecticut Fire. He takes the place left vacant by the death of President A. A. Welch of the Phoenix Mutual Life.

Late News from the Casualty Field

Continental Plans A. & H. Sales Sessions in Chicago

A series of sales sessions on accident and health insurance will be held at the Chicago branch office of the Continental Casualty, Oct. 22-24, from 12:30 to 2 p. m., in general charge of A. D. Anderson, accident and health manager in the branch.

The first day Vice-president Norman Hoag will talk on "The Purpose of the Sessions;" Vice-president H. A. Glasgow on "Accident and Health Protection—Yesterday and Today," and Mr. Anderson on "Merchandising Accident and Health."

The second day's program includes: "Why Sell Accident and Health Insurance?" W. E. White, superintendent of agents commercial accident and health department; "Positive Underwriting," Armand Sommer, assistant to vice-president; "Selling the Claim," A. G. Fankhauser, chief adjuster, and "The Approach," Mr. Anderson.

The schedule for Thursday is: "Franchise Insurance—What Is It?" J. M. Smith, superintendent of agents disability department; "By-products of Franchise Business," W. J. Donovan, franchise department, and "Merchandising Franchise Insurance," Mr. Anderson.

Sales demonstrations will follow the formal talks at each session.

Plan Philadelphia Congress

PHILADELPHIA, Oct. 16.—The Accident & Health Association of Philadelphia opened its season with the largest attendance in its history at a luncheon meeting.

Plans were immediately started for holding a sales congress during Accident and Health Week next spring. The proposal was also advanced at the meeting, and tabled for further consideration, that the association sponsor an Accident Prevention Week in April. The association is engaged in a membership drive to bring its roll up to 40. Seven new members at this meeting left it just ten short of its goal.

E. B. McLean, Massachusetts Indemnity, resigned as secretary, due to press of other business. Action was deferred until the next meeting. An outing committee composed of Steve Yerkes, Hooper-Holmes; H. Parks, Employers Liability, and John Sassman, London Guarantee, was appointed to draw up plans for a fall outing.

In a brief talk, Mr. Sassman told of the six new accident policies recently issued by the London Guarantee and of the changing of the "accidental means" clause to read "accidental bodily injuries."

Action Against Coast Surety

SAN FRANCISCO, Oct. 16.—Commissioner S. L. Carpenter has filed petition in superior court at Los Angeles for liquidation order against the Coast Surety of Los Angeles, alleging the corporation to be insolvent and in hazardous condition. A restraining order and an order to show cause were obtained against the corporation and the commissioner was ordered to take possession. Hearing on the order will be held Oct. 21. The company was organized in November, 1931, H. W. Blackburn being president and C. A. Haskins secretary-treasurer.

May Liquidate N. J. Fidelity

NEWARK, Oct. 16.—Approval of an agreement made last August between the New Jersey Fidelity & Plate Glass, and the united bondholders committee was asked this week by Commissioner Withers in a petition to Vice-Chancellor Buchanan.

The agreement includes a plan to com-

plete liquidation of the company, against which there are 4,814 claims aggregating more than \$62,000,000, of which \$30,000,000 have already been disapproved, leaving about \$32,000,000 to be considered.

It is contended by the insurance department that the liquidation plan

worked out by it and the bondholders would mean a substantial saving to creditors.

A few months ago the stockholders held a meeting in Newark in an effort to work out some plan whereby the company might be reorganized, but the idea was abandoned.

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SAN FRANCISCO

**EMPLOYERS
REINSURANCE
CORPORATION**

E. G. TRIMBLE, President

The National Underwriter

October 17, 1935

CASUALTY AND SURETY SECTION

Page Thirty-five

Cleveland Offers Ten-Star Program

Notable Speakers, Large Attendance at Accident & Health Sales Congress

OVER 600 IN ATTENDANCE

"Protect the Income" Is Theme—Importance of Line Stressed, Valuable Sales Suggestions Given

CLEVELAND, Oct. 16.—More than 600 members and guests crowded the ballroom of the Hotel Statler for the Cleveland Accident & Health Association's Sales Congress. Agents, managers and solicitors came from a large part of Ohio to hear the ten-star speakers program. It was the most successful event of its kind ever held in this territory.

In opening the congress, A. J. Althans, Aetna Life, president of the association, welcomed the participants and sounded the theme of the congress, "Protect the income." "Remember," he said, "that ideas pay dividends if utilized." He introduced R. B. Coffman, vice-president of the association, as chairman of the morning session.

Value of Accident Account

G. Floyd Cooper, assistant manager Travelers, Cleveland, was the first speaker, on the "Value of An Accident Account." An accident account is valuable, he said, (1) because the same renewal commissions are paid year after year, thus enabling the agent to build up for himself an excellent annuity, which will continue many years, or as long as he desires to have it continue, with little attention on his part.

(2) An accident account affords the agent an unusual opportunity to contact satisfied customers for all the other various lines of insurance and through these satisfied customers by means of the endless chain the agent is introduced to other prospects for not only accident insurance but life insurance and the many collateral lines.

"Instances taken from our own records," he said, "indicate that where we have an agent to whom we are paying the highest commissions in his particular territory, that is the agent who has the largest accident account. After an exhaustive study of our records we have found that we never lose an agent who has built his business on accident insurance. The business has become too valuable for other businesses to prove even the least attractive to him."

Speaking on "The Value of Being Organized," E. W. Brailey, Cleveland general agent New England Mutual Life and former president of the Cleveland Life Underwriters Association, strongly endorsed the decision of the Cleveland accident and health men to extend privileges of associate membership to per-

(CONTINUED ON PAGE 43)

Industrial Insurers Hold Forth at White Sulphur

JONES PRESIDING OFFICER

All Officers Are Reelected—Consider Elimination of Double Indemnity Clause from Industrial Contracts

By GEORGE WOHLGEMUTH

WHITE SULPHUR SPRINGS, W. Va., Oct. 16.—President P. W. Jones, secretary-treasurer of the Bankers Health & Life of Macon, Ga., opened the annual meeting of the Industrial Insurers Conference here.

Mr. Jones was reelected president, as were the other officers. G. R. Kendall, president Washington National, is vice-president, W. B. Clement, secretary of the Pliot Life, secretary.

O. E. Starnes, vice-president of the Imperial Life, becomes chairman of the executive committee. That position has been vacant since the death of C. S. Drake of Indianapolis.

Executive Committee Members

New committee members are F. F. Leith, Peoples Life of Washington, D. C.; Sumter Lowry, Gulf Life and W. R. Lathrop, Southern Life & Health. Old members are P. M. Estes, Life and Casualty; J. R. Leal, Interstate Life & Accident; E. T. Burr, Durham Life; C. A. Craig, National Life & Accident; A. B. Langley, Carolina Life, and Mr. Starnes.

The chief problems of industrial insurance are those of agency selection, underwriting and claims, and they are directly controllable from the home office, Mr. Jones said in his address.

Where Assured Gets Opinion

The policyholders' opinion of a company, he said, is formed from contacts with its agents. Policyholders are entitled to intelligent service and an agent should be able to write an intelligent and legible letter and be able to interpret contracts to policyholders. Mr. Jones expressed the hope the conference companies would cooperate in raising the agency standard. Policyholders have suffered, he said, because of incorrect information given in good faith.

In the first type of undesirable agent are those whose acts indicate turpitude, Mr. Jones stated.

Then there is a second undesirable type who does not have a positive personality or the ambition to get ahead or earn a sufficient income.

Insurable Interest

The proper basis for any insurance contract, Mr. Jones said, is that the contingency insured against, if and when occurring, would entail a financial loss to the person designated as payee. Very few of the industrial companies, he declared, investigate insurable interest and frequently the insured did not sign the application, was not present when it was written, or was ignorant that an insurance policy existed.

Many of the companies are paying spurious disability claims and are, in fact, giving unemployment insurance and old age pensions. They overlook that there are many opportunities to

Expect Final Action Soon on Mercantile Open Stock

MANUAL REVISION COMPLETE

Uniformity of Coinsurance Requirement in All Territories One of Main Modifications

HARTFORD, Oct. 16.—Revision of rates and rules applicable to mercantile open stock coverage, which has been in process by a committee of the burglary department of the National Bureau of Casualty & Surety Underwriters for months past, is understood to be in shape for submission to the full department membership for final action.

One of the important changes recommended is reported to be uniformity of the coinsurance requirement in all territories instead of, as now, having amounts vary according to different sections. The thought is that the variation in hazard would be taken care of in the rate structure.

Patch-work of Changes

The present manual as applied to mercantile open stock risks is a patch-work of changes effected from time to time during the past 10 or 15 years, no general revision having been undertaken in that period. The need for a complete overhauling has been appreciated by underwriters in view of pronounced changes that have occurred in general business affairs.

When the manual originally was compiled, mercantile establishments handled one line of textiles, whether linen, cotton or other. Today, every conceivable type of goods is found on the shelves of the drygoods merchant, creating a marked difference in insurable values. It was with a view to correcting inequalities in the manual that its more or less drastic overhauling and modernization was agreed on by underwriters early this year.

speculate in industrial insurance, Mr. Jones asserted.

Underwriting and claims are problems which must be solved at the home office, to a large extent. The industrial companies do not investigate applicants for industrial to any extent although a careful investigation is made in ordinary applications for \$1,000 or more.

More than 50 were in attendance. The National Housing Act, J. E. Cruise, West Virginia manager of the federal housing administration, declared, is not necessarily a political program, but was developed from a survey of the Department of Commerce undertaken in 1933. He commended the insured mortgages program for insurance company investment. A 5½ percent mortgage loan, fully guaranteed by the federal government is provided, he said. Even in event of default, the return from the borrower may be converted into a 3 percent yield guaranteed by the government until July 1, 1937. The mortgage is guaranteed by the government as to principal and interest at 3 percent. It is a real estate loan without fear of foreclosure, Mr. Cruise said.

Louis Phillips, editor "American Insurer," opened the Tuesday morning

(CONTINUED ON LAST PAGE)

Abrahamson Heads the Agents' Group

Casualty & Surety Men Name Omaha Agent — Company Body Reelects Stone

RESOLUTIONS ADOPTED

Agents Seek Closer Relationship with Companies—Want Subject of Reduced Bond Commissions Reopened

C. A. Abrahamson of Omaha was elected president of the National Association of Casualty & Surety Agents at the annual meeting in White Sulphur Springs, W. Va. The election took place the final day when the agents association and the International Association of Casualty & Surety Underwriters held separate sessions.

C. C. Jones of Kansas City was elected vice-president and C. H. Burras of Chicago was reelected secretary-treasurer.

The executive committee consists of T. E. Braniff, Oklahoma City, chairman; J. R. Millikan, Cincinnati; R. C. Knox, Hartford; B. W. McCluer, Kansas City; J. F. Hickey, St. Louis; G. D. Webb, Chicago; J. T. Harrison, New York; Glenn Charlton, Lawrence, Kan.; C. M. Bend, St. Paul; W. G. Wilson, Cleveland; Wade Fetzer, Chicago; J. M. Barkdull, Cincinnati; M. R. Whited, Cleveland; E. R. Ledbetter, Oklahoma City.

Other Committees Named

The committee on relations with the International Association of Casualty & Surety Underwriters remains the same: G. D. Webb, Chicago; T. E. Braniff, Oklahoma City; W. G. Wilson, Cleveland; Wade Fetzer, Chicago.

The auditing committee consists of J. K. Walker, Chicago, chairman, and C. M. Bend.

At this session W. G. Wilson reported on the work done in the past year with the companies on the question of obtaining adequate rates on compensation. He introduced two resolutions, both of which were adopted.

"Whereas," the first memorial stated, "it was an original and has continued to be an essential purpose of this association to establish and maintain the most cooperative relations with the casualty and surety companies, and whereas, in recent years the organization among the companies of different and differing associations has tended to diminish the close and more intimate contacts of earlier years, and whereas, the problems of both the companies and the field forces are primarily common to each other.

Would Explore Situation

"Be it resolved that our conference committee be instructed at its earliest convenience to explore the situation with a view to effecting a closer relationship between the field and underwriting

(CONTINUED ON LAST PAGE)

Manganese Poisoning Now of Increasing Importance

MORE CLAIMS ARE EXPECTED

Dr. W. D. McNally Sees Serious Menace in Greater Recognition of Cases
—Victims Hopeless Cripples

The probability of a material increase in the number of claims for disability due to manganese poisoning was brought out by Dr. W. D. McNally, Chicago toxicologist, in his address at the first fall meeting of the Chicago Claim Association. This is not due so much to the fact that such cases are really increasing as to the fact that medical men are now recognizing them for what they are and giving more attention to the subject. Many of the symptoms are very similar to those of certain diseases, such as Parkinsonian disease and Wilson's disease, and many manganese poisoning cases may have been erroneously diagnosed as those diseases.

Exhaustive Study Made

As a result of his own experience recently with some interesting cases of this sort, Dr. McNally has just completed an exhaustive study of all the cases of manganese poisoning that have been reported in all parts of the world. Only 138 cases of this sort have been reported in all the medical literature on the subject, running back for more than 100 years, but there have been many more reported in recent years and the number is steadily increasing.

This poisoning may occur in any industry where manganese is used, as well as in plants devoted especially to the manufacture or preparation of manganese compounds. It is used especially in steel plants, in the making of manganese steel; in the manufacture of dry cell batteries, and certain kinds of glass, in tanning and as a dryer for paint. The poisoning is caused by manganese dust in the air, particularly when it is taken in through the gastro-intestinal tract. Inhalation of this dust causes a condition in the lungs similar to that from silicosis, but usually not producing as serious results. However, when a man who has inhaled manganese dust contracts pneumonia, it is invariably fatal. It may also be absorbed to some extent through the pores of the skin.

Hopeless Cripples for Life

There seems to be a great difference among employes in such plants as to their susceptibility to this poisoning. What causes the difference is not known, although one theory is that an excess of acid in the stomach increases susceptibility. Out of 100 men employed in a plant, probably not more than four or five will be affected. It may strike down an employe within a year and a half after he has taken up such work or it may not manifest itself for 20 years. Disability when it comes is very sudden and the serious feature from the standpoint of both compensation and accident and health insurance is that the victim will be a hopeless cripple thereafter, although he may live for 40 years. The great majority of the cases reported are in men under 30.

No Treatment Is Found

The outstanding characteristics are the way in which it affects the gait, resulting eventually in complete inability to walk unless supported on both sides, tremors of the hands, impairment of the speech and a masklike expression of the face. The condition gradually gets worse for some months after the attack, and then continues practically the same for the rest of the man's life. No treatment has been found which will bring about any improvement, except where the cases have been caught in the very earliest stages. This poisoning can be prevented or greatly lessened, however, by the installation of proper ventilating systems and the use of gas masks. A

Former Casualty Head to Commerce Commission



H. L. CALLANAN

H. L. Callanan, who was formerly president of the Norwich Union Indemnity, has been appointed assistant director of the section of certificates and insurance in the bureau of motor carriers of the Interstate Commerce Commission at Washington. He started his career in accounting, statistical work and payroll auditing for the American Bonding, Fidelity & Deposit and later with the Hartford Accident.

Minnesota Automobile Men Urge Traffic Safety Steps

ST. CLOUD, MINN., Oct. 16.—After hearing a national authority on traffic, R. E. Singer of Washington, D. C., denounce compulsory automobile insurance, the Minnesota State Automobile Association in annual session here adopted several resolutions calculated to promote safety on public highways. These included: Requiring renewal of driver's license every two years; uniform traffic legislation in all states; illumination of highways (it was brought out that half of the traffic accidents happen after dark although a comparatively small percentage of the driving is done after dark); safety education in the schools; compulsory motor car inspection; enactment of safety responsibility laws in all states that do not have them now.

A group of Twin Cities insurance men headed by S. C. Aldridge, chairman of the executive committee of the Minnesota Association of Insurance Agents, attended the meeting. Others in the party were Leo Ritt, St. Paul; R. M. Thompson, Ward Senn and Fred Dorman, Minneapolis.

Safety Advertising Used

The Employers Reinsurance of Kansas City is using its advertising space in the insurance papers to emphasize the necessity of changing the record of "36,000 Killed Last Year." The Employers Reinsurance, like a number of other institutions, appreciates the fact that this tremendous toll of life due to automobile accidents is not justified in any way. It is therefore doing its best to instill in the minds of local agents and readers of insurance papers the fact that the insurance men themselves have a duty in this direction.

material improvement in the number of cases in Germany has been brought about by that means.

Plans are now being completed for entry into California by the American Fidelity & Casualty of Richmond, Va.

Five-year Program to Cut Traffic Deaths Proposed

NATIONAL COUNCIL IN MEET

President Roosevelt Sends Message to Louisville Gathering Hinting at Federal Intervention

LOUISVILLE, Oct. 16.—Faced with an accident trend which this year may again approach 100,000 deaths and 350,000 permanent injuries, delegates to the National Safety Congress here adopted an 11 point program and urged all safety councils to join in a broad, determined effort to reduce the toll.

President Roosevelt sent a special message pledging federal cooperation and a warning that unless the toll is curbed state or federal intervention may be necessary. He specially emphasized renewed efforts to improve safety on streets and highways.

Substance of Program

The council's program is:

(1) An organized, continuous safety campaign in every state; (2) use of unemployed labor under expert supervision to analyze and alleviate traffic and other hazards in every community; (3) adoption of uniform up-to-date traffic laws including a universal drivers' license law; (4) intelligent, impartial enforcement of all traffic laws; (5) periodic inspection of motor vehicles supervised by state or city; (6) systematic safety instruction and training in all schools and colleges, including safe driving instructions for every high school student; (7) intensified campaign for safety education for the public at large; (8) continued research in the causes and remedies for occupational accidents and diseases; (9) acceptance by all designers of machinery that safety must be built into all manufacturing processes; (10) intensified effort to get organized safety established in small plants; (11) continuous and consistent efforts in marshaling active cooperation of all interested agencies in carrying safety into all homes."

National President Speaks

J. E. Long, Albany, N. Y., president of the council, indicated speed as one of the predominating factors in traffic accidents, and stressed also the menace of drunken drivers and law enforcement. Nearly two-thirds of fatalities to occupants of cars occurred at speeds above 45 miles. He said the present trend inevitably will result in most drastic methods of control over motorists.

There are 350 speakers on the program, there being a general meeting and 30 group meetings. Members of the safety section, United States Department of Engineers, met, Major Elliott Vandeverter, Washington, presiding. It was reported the government drastically cut its accidental death toll.

General Motors' Viewpoint

W. S. Knudsen, Detroit, executive vice-president General Motors, expressed a divergent opinion regarding speed as an accident factor, calling attention to experience of England, Germany, Italy and other European countries where motor death rate per 10,000 cars is two to four times as great as in the United States. Congestion is the main factor, he said, and visibility and other road conditions. Manufacturers are continually striving to make safer cars. Education and training motorists before drivers' licenses are issued, and periodic inspection of motor vehicles, were suggested as methods of control.

Gov. H. G. Hoffman of New Jersey proposed definite objective for each state of a reduction of at least 35 percent in motor vehicle deaths by the end of 1940, or 7 percent a year for five years. Since about 1925 each year, excepting one, has been worse than the year before in motor fatalities and injuries, he said. "Two successive years with more than 1,000,000 traffic casualties each is such

Mail Order Insurance and Company Rating Reviewed

BOWEN OUTLINES POSITION

Ohioan Opposes Ban on Rating Agencies, Going to Congress on Non-admitted Carrier Issue

Mail order insurance and rating of companies were discussed by Superintendent R. L. Bowen of Ohio in his talk at the sales congress conducted by the Cleveland Accident & Health Association.

On the subject of mail order coverage and its attendant evils, he said there have been many complaints to his department because people in Ohio have had to take what settlements were given them by such carriers without recourse in the state. He explained that there are some companies operating in other states under a non-profit statute and the insurance departments have no power over them.

Ohio Free from Evil

"I believe," said Mr. Bowen, "that Ohio is 100 percent free of this evil, and there are no Ohio companies doing business across the borders of other states unauthorized. We are doing all we can to stamp out the evil of irresponsible companies and believe each state should try to correct its own evils instead of submitting them to congress. But, unless commissioners have greater control over the solvency of companies, the job may be taken to Washington. In the last five years, 35 life companies have failed. How long can that go on without control going into federal hands?"

Won't Prohibit Rating

He said that the use of rating services came up at the Seattle convention of the Insurance Commissioners Convention and the committee brought in a report unfavorable to the use of such agencies. There was much disagreement with that report, however, he declared. Mr. Bowen stated that the Ohio department is in favor of giving the public all the factual information available and that it is not in favor of prohibiting rating reports.

a wanton, uncivilized waste of life and blood that drastic action becomes imperative," he said. "In the period when adult fatalities jumped 28 percent, accidents among school children dropped 19 percent. Deaths among private drivers increased 40 percent. Commercial vehicle accidents have come down 26 percent." Illustrating prevention, he pointed to New Jersey records with an increase of only 3½ percent, while the national increase was 15 percent. Milwaukee cut its traffic death tolls for four consecutive years. Streets and highways must be modernized for present day traffic, he declared, there being needed controlled rights-of-way, separation of highway grades, separation of opposing vehicular flows, 20th century lighting.

Heavy Enrollment in Drive

Thirty-three states and nearly 800 cities are enrolled in the national safety traffic contest this year, in an effort to concentrate on official responsibility, an alert public and individual interest in the objective.

A general insurance committee in Louisville was formed for cooperation with the national council at the annual meeting. Members are R. Williams, Aetna Casualty, chairman; M. W. Boedecker, vice-president, and P. B. Bethel, secretary, Louisville Board of Fire Underwriters; W. M. Cotton, president Louisville Association of Life Underwriters; K. L. Nordyke, casualty department Travelers, Louisville. 30 group meetings.

All Offers Again Are Thrown Out

Sale of the National Surety Still Is Up in the Air, Due to Hitch in Plans

WILL RECEIVE NEW BIDS

Nasurco, Inc., Declines to Meet Conditions Laid Down by Pink-Counter Proposal Rejected

NEW YORK, Oct. 16.—Unwillingness of Nasurco, Inc., to meet the conditions outlined by Superintendent Pink in his provisional recommendation to the court for approval of the initial bid of Nasurco for the stock of the new National Surety and the declination of other bidders to change the terms of their proposals resulted in the rejection of all bids by Supreme Court Justice Valente. The department was authorized to return all checks or approved collateral furnished by the various bidders.

Nasurco or any other interest desiring to purchase the stock of the surety company is free to work out with the superintendent the terms of an offer which he can recommend to the court. A deadline was not set. Until an actual sale has been effected stock of the National Surety will remain with the department for the benefit of creditors of the old National Surety.

Conditions Imposed

The condition imposed by Mr. Pink upon Nasurco was that within five days thereafter written assurance be given that the stock would be held by the superintendent as security and permit all of the stock, including the \$2,000,000 to be purchased, to be voted by the trustees, designated pursuant to the offer. It was further recommended that the bidder deposit \$600,000 in addition to the original \$200,000 bringing the total deposit up to the 10 percent.

At an earlier hearing there was insistence that the interests composing Nasurco be disclosed. The latter, it developed, were three banking houses of this city: A. M. Kidder & Co., Hallgarten & Co., and the American Foreign Credit Corporation.

The position of Nasurco with respect to the department's attitude was set forth in a communication from its president, T. A. Kane, to Superintendent Pink.

Asks Another Ten Days

"We are ready to discuss with you the modifications of our offer," Mr. Kane wrote. "It is difficult to discuss these matters in a letter and we should like immediately to sit down with you and your counsel to draft a formal agreement of purchase that will not only meet with our mutual approval but also be satisfactory to A. M. Kidder & Co., Hallgarten & Co., and American Foreign Credit Corporation and their associates, who expect the usual, customary and necessary protective clauses in contracts of this character."

"As the prompt completion of a satisfactory contract is important in this matter, we suggest that the conferences concerning the provisions thereof start immediately and continue from day to day until a satisfactory agreement is reached, and that in the event of a failure to arrive at an agreement or to secure the approval of the court thereto, within a period of ten days, then upon our demand or the demand of A. M. Kidder & Co., or Hallgarten & Co., or American Foreign Credit Corporation,

(CONTINUED ON PAGE 44)

Prepare Three Tax Cases in the Chicago Tax Issue

CASUALTY COMPANIES HIT

Cook County Authorities Seek to Assess on Net Receipts of Certain Casualty Lines

Casualty officials are keeping closely in touch with the efforts of Cook county taxing authorities to impose a net receipts tax on a portion of the casualty companies' premiums.

Under a decision of the United States Supreme Court, fire companies were exempted from paying net receipts tax in Cook county on premiums from those classes of business which are also written by casualty companies. Now the Cook county authorities are moving to force the casualty companies to pay premiums on classes of business that are also written by the fire companies, principally automobile property damage and collision.

Not all of the casualty companies have received tax bills on this account, but some of them have received such statements.

J. E. Battle, chief of the personal property division of the Cook county assessor's office, states that three test cases are now being prepared, one against the Aetna Casualty, another against the American Automobile and the third against the Indemnity of North America. Demand was made upon the Aetna Casualty for return of net receipts back to 1905, the American Automobile back to 1930 and the Indemnity of North America back to 1912.

Mr. Battle states that if the companies do not make the returns, action will be started by the state's attorney in the form of mandamus proceedings.

Last year, in calculating the net receipts of fire companies, the figures were debased in the first instance 37 percent and then 40 percent of the reduced figure. Whether that procedure will be followed this year has not been determined, according to Mr. Battle.

Of course, if the case should go against the casualty companies, then the question of taxation of fire insurance companies would be reopened.

The Cook county authorities apparently are going on the theory that the statute of limitations does not apply be-

H. S. Ives Calls for Drive to Reduce the Taxation

Henry Swift Ives, special counsel of the Association of Casualty & Surety Executives, made an appeal for reduction of taxes in an address before the Cincinnati chamber of commerce. He said the American taxpayer in the last year or so has become militant and belligerent. The revolt is gathering momentum, he contended. Taxes must come down by the billions, he said.

Public expenditures absorbed the equivalent of about one-third of the annual income or 4½ percent interest on the national wealth, which is the equivalent of all income from investments. There is a debt burden equivalent to 20 percent of the national wealth.

Avoids "Altruistic" Plans

There is a real danger, he said, in proposals that are sponsored as altruistic and humane, which seem at first glance to meet a great social need. The expense is indefinite and cannot be appreciated. There is hardly a trace of real insurance in any of these proposals.

Insurance is not merely interested in the premium and other taxes, but in the burden upon income and property generally. Any tax system that depreciates the value of securities held by insurance companies is of vital importance to the companies and their policyholders.

The American Taxpayers League and other similar organizations are in a good position to carry on a campaign for reduction of taxes, he declared.

cause they are going back many years in their demand for return of net receipts.

The Cook county authorities, in the case of those casualty companies that have been addressed, called for a return of net receipts on the transactions of water damages; on automobile, fire, theft, collision and property damage, and for lightning, tornado, windstorm, marine, riot, motor vehicles, aircraft, except the public liability items and any kind of insurance enumerated among the kinds of insurance provided to be done by companies authorized to transact fire insurance in Illinois.

A similar effort to tax casualty companies was made in 1925, but was successfully resisted.

Urge Producer to Be More Constant

Concentrating With One Company Would Facilitate Casualty Placing

CONTRARY TREND NOTED

Tendency of Producer to Divide Business Causes Companies to Underwrite Risk More Than Agent

The current complaint of brokers and agents that casualty companies are hyper-critical in their underwriting and that the market is unsatisfactory is answered by some casualty executives, who say that the producer is partially to blame because of the increased tendency to shop his business among many offices. They contend that if the producer would concentrate his business with one company, he would have much less trouble in getting a coverage for his borderline and hot risks.

Especially is this true, they argue, if the company to be favored is one whose unit of underwriting is the producer more than the individual risk. The producer, in dealing with a company that is interested above all in the over-all net results on his business, stands a much better chance of getting consideration for his troublesome risks, if the company is getting a spread of business from him—assuming, of course, that his over-all business is profitable.

Observers in the casualty field are convinced that today there is a greater tendency for the producer to divide his business than in the past. The pulling and hauling in connection with the compensation line is believed to be partly responsible for this tendency. The cut rate situation is another factor. Agents are induced to take on a company, probably for defensive purposes, that offers a rate advantage in automobile or burglary or plate glass or on certain surety lines. In the past if this agent represented one of the strong, multiple line casualty companies, he would, very likely, be ordered by that company to make a choice between the two. The multiple line company would not consent to be represented in the agency with the outsider, and very often could force out the other company.

Now, many of the multiple line organizations feel that they cannot hold the line. The agent will make the strenuous plea that he is being stripped of his automobile business or burglary or plate glass or what not to cut rate competitors and he needs the outside facilities for those assured who simply will not pay the standard price, and are being canvassed by representatives of cut rate institutions.

Accordingly, if the multiple line company tolerates the presence of the outsider in the agency, its business becomes diluted. Or, the agent instead of taking on the representation of the outsider, may broker his business among the companies offering a rate advantage.

Perhaps such a producer is unable to get an important compensation line approved by his main connection. Then he goes to another company with the business and is met with the demand for collateral lines. If he acquiesces, then the business flowing to his main connection is further diluted.

Seitz Is Holding Conference

Paul F. Seitz, president of the Freeport Motor Casualty, is holding a conference with agents and agency supervisors for Cook county in Chicago Thursday of this week.

Officers of Agency Group



CLIFF C. JONES



T. E. BRANIFF

Cliff C. Jones of Kansas City was elected vice-president of the National Association of Casualty & Surety Agents at the annual meeting at White Sulphur Springs. Mr. Jones is chairman of the board of the Kansas City Fire & Marine and is president of the R. B. Jones &

Sons agency of that city. He is a past president of the National Association of Insurance Agents.

T. E. Braniff of Oklahoma City, who has always been one of the important factors in the association, is again chairman of the executive committee.

WORKMEN'S COMPENSATION

Asks Support of Rate Filing

E. F. Lafon Implores Oklahoma Agents at Annual Meeting to Get Behind National Council's Request

Members of the Oklahoma Association of Insurance Agents attending the annual meeting in Oklahoma City were implored by E. F. Lafon, manager of the Oklahoma Compensation Rating Bureau, to support with every means at their disposal the present rate filing in Oklahoma of the National Council on Workmen's Compensation Insurance.

There has been great improvement in the compensation business in Oklahoma, he declared, and a new day may be dawning. However, he recalled the conditions in the state have been worse than in any other state and the compensation business in the state has been most chaotic.

The principal task now is to obtain adequate rate. There has been no adjustment or increase in rate in Oklahoma since 1931, he recalled. The rates

are not up to date either as to adequacy or relativity. As soon as adjustments are made in the rates, he expressed the belief employers should have reasonable success in obtaining coverage.

Mr. Lafon voiced the opinion that the ills of compensation business can be cured. There must be adequate premiums, proper underwriting especially on the point of correct application of classifications and rates; safety engineering with emphasis on reduction in number and severity of accidents and in the settlement of claims every effort should be put forth to make final disposition.

Incidentally Mr. Lafon suggested that those who require pre-employment medical examination also use medical examinations at the termination of employment.

Mr. Lafon mentioned that some employers are now contracting out certain departments or operations in an effort to avoid the liability and insurance premiums. For the most part it is impossible for the employer to relieve himself of liability in this manner and the companies are entitled to premiums on the

remuneration of persons engaged in operating departments or performing operations on such semi-contractual basis.

Study Plan to End Red Tape

Commissioner Ketcham of Michigan Develops Informal Conference Method of Rating

LANSING, MICH., Oct. 16.—In order to reach equitable agreements on rates for workmen's compensation risks of a nature peculiar to this state, the Michigan department and Michigan branch rating bureau in Detroit are working out a system under which applications for rate changes will be discussed informally at intra-state conferences rather than submitted to the companies' 10-member advisory board.

Commissioner Ketcham said he discussed the plan with A. S. Cowlin, manager National Council on Compensation Insurance Detroit branch, who was favorably impressed. Mr. Cowlin would represent the state and national carriers, the department would have a representative present and the applicant for a revised schedule would be there in person or by representative.

Such a method would eliminate red

tape, Mr. Ketcham said, would obtain speedier and more equitable action, and forestall possibility of cumulative protests against rate control which might influence the legislature to modify the law. As the state rating bureau, established at the department's suggestion without specific legislation, has been working out rate problems satisfactorily in the main, thus auguring profitable operation in the compensation field in the future, it appears companies will welcome innovations tending to provide greater stability in that troublesome line. Commissioner Ketcham said instances have been brought to his attention in which there were gross errors in fixing rates on certain risks.

Object to Wisconsin Change

Bureau Companies Don't Like Revised System of Schedule Rating of O. D. Risks Effective Nov. 1

Bureau casualty companies are distressed because of the revised system of schedule rating in connection with occupational disease risks that has been adopted in Wisconsin, according to reports that were circulated at the annual meeting of the Wisconsin Agents association.

Under the new setup, certain industries with 50 employees or more are subject to inspection and schedule rating under the morale items only without regard to any other physical condition. The bureau companies feel that the expense of these inspections and rating will be entirely out of proportion to any possible credit that can be secured under this item alone. Every plant eligible for this rating will have to be inspected for the purpose of providing credit on the few that will qualify for such. The possible rate deviation is too limited even in the case of those maintaining a standard safety organization, to justify the cost of maintenance of the inspection and rating system.

Dislike Schedule Rating

The bureau people are anxious to get away from the schedule rating idea. Many assured, it has been found, maintain a paper organization for the purpose of securing credit without regard to the real effectiveness of the organization. The Wisconsin plan, it is felt, will provide a strong temptation to secure the benefit of a lower rate by the maintenance of certain paper records.

The bureau people feel that where a manufacturer is really interested in accident prevention it is not necessary to sell safety by putting it in the sugar pill of a nominal schedule credit.

On the larger plants on which it is intended that the proposal shall apply, the experience rating plan provides full reward to the assured for accident prevention work and is a more just and accurate measure of the effectiveness of the assured's safety work.

Under the new plan certain designated classifications are eligible for safety organization credit, whereas certain other classifications, not differentiated from the present group because of physical features in the plan, will not be eligible for safety organization credit, the bureau people state. This is bound to cause dissatisfaction among those that are discriminated against.

Details Are Complicated

Details of the new plan are somewhat complicated and are not thoroughly understood. The intention, however, is clear. It is to reduce the premium that must be paid by employers whose operations involve an occupational disease hazard.

In addition to extending special treatment to employers with more than 50 employees whose operations qualify only in part for schedule rating treatment, the list of classifications subject to schedule rating treatment is extended to include paper manufacturing, pulp manufacturing, brass and iron foundries, malleable iron foundries and steel castings foundries. The restriction to the silicotic amendment of the experience rating plan

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Newark, New Jersey

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Cash in on the FRONT PAGE NEWS

HEADLINES shrieking of crime! Burglary! Robbery! Hold-up! Theft! That kind of news increases in volume as the bitterness of winter drives more cold, hungry men to desperation. The season for burglary—and for sales of "burglary" coverages—is opening up now.

The U. S. F. & G. believes that burglary lines represent one of today's greatest undeveloped sources of income for agents—a source in which agents can turn sales activity to immediate profit.

For that reason, it has just placed in the hands of its agents a complete new kit of sales tools, equipping them to go after "burglary" business as they have never gone after it before. These same tools are available to any agent who is interested in associating himself with a company which spares no effort in helping agents make the most of their opportunities.

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Originators of the Slogan:

"Consult Your Agent or Broker as You Would Your Doctor or Lawyer"

is to be removed and the foundry charges reduced 50 percent and the stonemaking and polishing charges reduced 40 percent effective Nov. 1.

Milbert & Co. Exclusive Agent

A. R. Milbert & Co. has been appointed exclusive agent in Chicago by the United Employers Corporation, a workmen's compensation safety and service company of that city. The corporation has moved its Chicago branch office from Room A-1010 to Room 1660 Insurance Exchange.

Opens Office at Sioux City

Joseph E. Fennell, well known adjuster, has opened a claim adjusting office in the Insurance Exchange building at Sioux City, Ia. He was formerly an adjuster for the General Exchange in Chicago and Des Moines and later for the Federal Surety in Davenport. At one time he was connected with the Travelers at Los Angeles.

ACCIDENT AND HEALTH FIELD

Buyers Are Still Reluctant

President Young of Monarch Life Tells How to Meet Problem at Regional Meetings

The problem of the "reluctant spender" was stressed by President C. W. Young of the Monarch Life in his addresses at regional meetings of that company. He took an optimistic view of general business conditions, expressing the belief that "we shall be able to hold most of the recent gains the rest of the year, and even to add something more before its close."

"However," he added, "we are all faced with a problem. The natural result of the depression has been the cre-

ation of an army of reluctant spenders. Nearly all of us have had the urge to buy, but what we did was to go out and just take a look. And this clutching regard for money stays with us long after the conditions which inspired it have disappeared. So whether you sell accident and health or life insurance, automobiles or refrigerators, or shoes, every salesman faces each day an abnormal number of reluctant spenders.

"The prospects want the comforts, conveniences, or profits which your particular merchandise or plan offers them, but a definite reluctance holds them away from the purchase. They have not yet learned to spend easily. They want to weigh and compare and consult. They want to be sure that they are getting the best the market offers in exchange for their important dollars. It requires little enticement to get these prospects to listen, but it requires the maximum of adroitness and sales strategy to close them, when the contact has been made.

Challenge to Agents

"The interest of these reluctant spenders in getting full value for their money suggests the proper sales strategy. The present situation offers a challenge to every ambitious agent who is willing really to fight for his share of the prospect's income. But it means fight, if the need for accident and health and life insurance is to become a more potent motivating force in the prospect's mind than are his present instinctive 'wants' for luxuries and amusements."

President Young also discussed briefly the social security act and its possible effects on insurance.

Attendance at the meetings was based on production over a six months' period. About 100 representatives from the northern and eastern states met at Briarcliff Manor, New York. The second meeting brought 60 men from the central states to the Edgewater Beach Hotel in Chicago. The programs were built around demonstrations of selling talks, with emphasis on the use of "visual" materials.

The conventions were in charge of Vice-president J. W. Blunt and Agency Secretary A. W. Crowell. Sales sessions were conducted by F. W. Merritt, agency supervisor.

Notable Program Presented

Valuable Material for Managers and Agents Offered at Meeting of Chicago Accident & Health Club

The dinner meeting of the Accident & Health Insurance Club of Chicago Monday night, the first under the new plan by which one agency or company takes charge of each meeting, was generally regarded as one of the best that the club has ever held. A. D. Anderson, Continental Casualty, was in charge of the program. He introduced as the first speaker W. E. White, superintendent of agents of the commercial accident and health department of the Continental at its home office, who talked on getting and training agents.

Need Not Agents but Producers

Mr. White emphasized the point that what the business wants is not merely agents but producers. He said that getting agents is an easy matter, but the difficulty comes in building them into producers. He outlined the points that should be considered in taking on a new man and the things that should be told such a man at the outset of his training. He stressed the importance of sending someone else out to work with the new agent at first and said it is false economy to try to get along without that aid. He advised giving the new man a thorough training on the one policy that seems best suited to his case

and said that very few successful producers ever specialize on more than three policy forms.

A. G. Fankhauser, chief adjuster of the Continental Casualty, then spoke on "Selling the Claim." He said that settling a claim is really a selling job. The salesman's job is to cause the prospect to want the policy he should have, while the claim man must cause the policyholder to want the settlement he should have. Where the claim is for a larger amount than is justified, it is his task to get the claimant to see just what is covered by his policy and be entirely willing to have the settlement made on that basis. He cautioned agents to not be too hasty in telling a policyholder that his claim is justified and said they should tell him it is necessary to take the matter up with the claim department.

Mr. Anderson then closed the program with a recital of some prospecting ideas that have been used successfully in his organization. He said that one trouble with accident and health insurance has been that too many men have taken it up merely as a stop-gap proposition. He urged that a lesson be taken from the practice of the life men, who do not merely look for a man to whom they can sell a policy, but for men who have problems that can be solved through life insurance.

Resolutions were adopted on the deaths of Percy D. Smith and George S. Galloway, both active members of the club. It was announced that the next meeting will be held Monday evening, Nov. 11, and will be in charge of E. H. Ferguson of the Great Northern Life.

A. & H. Sales Continue to Show Gains; Seek Reasons

Companies writing both life and accident and health insurance report that although life insurance sales are comparatively slow, accident and health production continues to go ahead without the necessity for stimulation. Some of the companies have ceased to put emphasis on accident and health production and are concentrating on life in an attempt to bring that department out of the lull.

For some months this difference in production has been evident.

Executives are somewhat at a loss to account for the difference. Some express the belief that people are becoming increasingly conscious of the automobile hazard, due to the increased publicity that is being given the subject and consequently the minds of all people are receptive to accident and health solicitation. Some companies find that much of their accident and health business comes from housewives.

Issues Policy for Farmers

The Continental Casualty has issued a special contract known as the "farmer's special income protection policy," especially designed to meet the needs of the farmer and his employes, which is issued only through the Ford Agency, 11 Commerce street, Newark. The Continental has already filed this policy with the New Jersey, New York and Pennsylvania departments. The development of this branch of the business will be under the immediate supervision of Oscar M. Sudler, who recently became a partner with William Ford in the Ford Agency. Mr. Sudler is a graduate of the University of Vermont and has had successful insurance experience in Denver, Chicago and New York City.

Plan Club in Columbus

COLUMBUS, O., Oct. 16.—Plans are being considered in this city for the organization of a health and acci-

WANTED

High grade health and accident man, qualified to become president or secretary of a small association that has been operating continuously and successfully for 30 years. Small investment necessary.

ADDRESS C-43, NATIONAL UNDERWRITER

UNUSUAL FORMS OF PUBLIC LIABILITY

FAIRS
PARADES
ATHLETIC EVENTS
HOME COMINGS
STOCK SHOWS
CELEBRATIONS
BAZARS, RODEOS
HARVEST FESTIVALS
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Consult Our Special Risk Liability Department

Great Lakes Casualty Company
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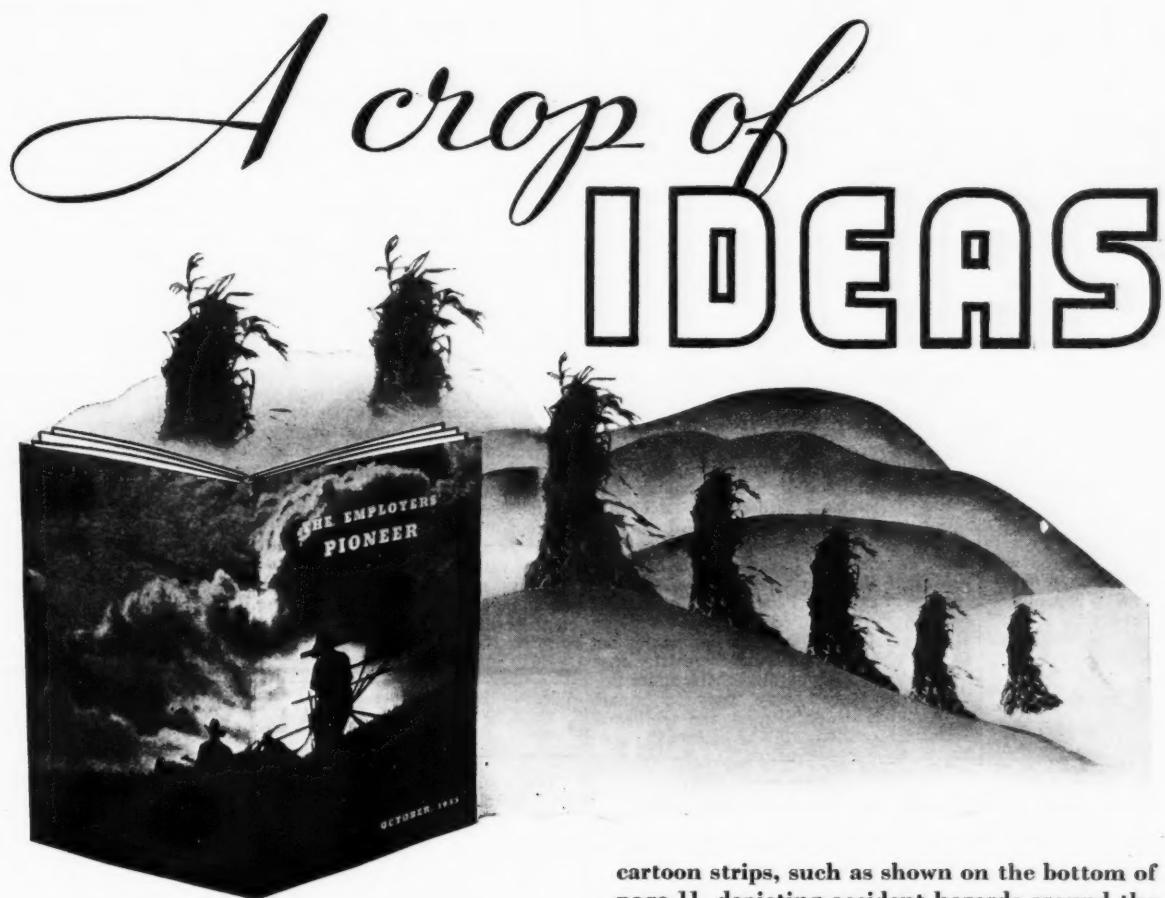
Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1934

CAPITAL	\$1,000,000.00
Surplus (at Market Values)	2,574,975.70
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	2,690,601.13
Contingency Reserve	48,127.58
All Other Liabilities	1,110,130.69
TOTAL ASSETS	7,923,835.10
NOTE: Securities carried at \$739,222.50 in the above statement are deposited as required by law.	

CASUALTY RE-INSURANCE



THE insurance man who reaps a harvest of premiums is he who has ideas . . . the more and the better the ideas, the richer the harvest. And so we offer you the October issue of The Employers' Pioneer.

Which one of the many ideas you will find between its covers, will be of the greatest assistance to you, is hard to say. Perhaps you're interested in fidelity and surety bonds. Articles concerning bonds required in court proceedings, probate bond underwriting and something about public official bonds are all in the October issue. Income insurance, residence liability, residence boiler and a few thoughts on fire and accident prevention may also be found in this issue. We call your particular attention to the article "Nine Old Men." It doesn't concern itself primarily with insurance, but the wise insurance man will find it helpful when discussing present day conditions with prospects or policyholders.

Note, too, the very short article at the bottom of page 7. It shows one way in which the Pioneer might prove helpful to you. And we'd like a little help from you. Do you think a series of

cartoon strips, such as shown on the bottom of page 11, depicting accident hazards around the home and elsewhere would prove effective if distributed to the general public? We would appreciate an expression of opinion from you on this subject, but of course you'll have to see the October issue first.

To get your copy, address your request to the Publicity Department, 110 Milk Street, Boston. There is no obligation on your part in making such a request.

The Employers' Group, publishers of The Employers' Pioneer, includes The Employers' Liability Assurance Corporation, Ltd., (the world's pioneer in liability insurance) The Employers' Fire Insurance Company and the American Employers' Insurance Company. It writes practically every kind of insurance except life, including fidelity and surety bonds, and the Pioneer naturally is a reflection of its activities.

THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON

Practically every kind of insurance except life, including fidelity and surety bonds.



dent association. It is expected that before long a meeting will be held at which definite plans looking toward the organization of an association will be formulated.

Writes Civil Service Group

The Ford & Pine general agency, 75 Fulton street, New York, has closed a contract with the Association of State Civil Service Employees of New York for a special group plan of accident and health coverage. The Continental Casualty is the insuring company.

Stops Group Sales

The Pennsylvania department is proceeding to enforce section 616 of the Pennsylvania law, which, among other things, prohibits the writing of group accident and health for school teachers' associations, firemen's associations and like groups.

The department is now asking cancellation of the Pittsburgh teachers association group. All companies doing business in the state have been notified to file copies of such policies before undertaking their sale.

The Pittsburgh teachers group was first written through the Commercial Casualty; later the Public Indemnity was the insurer, then the Sun Indemnity, and more recently the Provident Life & Accident.

Opens Columbus Office

The United of Chicago has opened offices in the Standard building, Columbus, O. E. G. Ellefson, who has offices in Toledo, is district manager. He expects to increase his staff in Columbus to 15 agents.

Claim Association Meeting

The first meeting of the Boston Life & Accident Claim Association is being held Friday evening of this week.

The Altus Life & Accident of Tulsa, formerly of Altus, Okla., has changed its name to the **Peerless** Life.

New Peoria Claim Office

The John J. Dunn Claims Service has been established in the Jefferson building at Peoria, Ill. Service will be provided for the central part of the state.

Mr. Dunn has had 15 years field and supervisory experience, having been with the Aetna Casualty, Continental Casualty and for the past eight years with the Lumbermen's Mutual Casualty. The service will be given on general liability, automotive, compensation, tourists' floater, marine, fidelity and surety and fire lines.

Paul Temple Found Guilty

ST. LOUIS, Oct. 16.—A jury here returned a verdict of guilty against Paul L. Temple, former secretary of the defunct Prudential Casualty & Surety of St. Louis, and fixed his punishment at \$1 fine and 60 days in jail, but recommended that he be paroled from the bench. The punishment was the minimum permitted under the charge of making a false entry in the books of the company with intent to deceive the insurance department.

In accepting the verdict, the court said: "I feel by your verdict you are convinced that there was a violation of the law but no moral turpitude was involved." He did not act on the parole recommendation, as counsel for Temple filed a motion for a new trial.

Cornyn With American Auto

T. G. Cornyn, Los Angeles casualty adjuster and attorney, has been appointed on the claims staff of the American Automobile branch office in Los Angeles. His work will include handling of personal injury claims.

Gets Columbia in Seattle

Harry Peyton, Seattle general agent, has been named to represent the Columbia Casualty there.

FIDELITY AND SURETY NEWS

Lloyds Slackens Restrictions

Stock Company Managers Fear Increase in Bank Robberies from Broadening Counter Cash Rule

Bankers blanket bond business in Illinois, especially in the downstate section, is reported by Chicago branch managers to be well disrupted due to the widespread operations of London Lloyds and its lowering of acceptance requirements. It was stated that Lloyds in writing this business does not require any limitation on the amount of cash maintained on the counter, whereas the stock companies have been quite uniform in demanding a 10 percent limitation with the remainder of cash left in a safe designated to require an appreciable time to open.

They believe the daylight holdup men will find attractive the downstate situation where much cash again is carried on the counter and that before long a considerable increase in bank holdups will be noted as a result of this relaxation of vigilance.

Stock companies are unwilling to write the business without the cash limitation or to compete with Lloyds on the rate scale being quoted. They believe it would be hazardous. However, they fear that the slackening of restrictions by London Lloyds will stimulate operations of bank robbers and result in robbery loss for the stock companies on banks which are adhering to restrictions.

The bankers generally chafe under the requirement to carry only a small amount of cash on display, and are being widely attracted to the Lloyds' contracts, as a consequence.

Michigan Decision Allows Writing Treasurers' Bonds

DETROIT, Oct. 16.—Problems presented by the writing of city, village and township treasurers' bonds, which must be renewed in November, were the principal topic at the October meeting of the Surety Association of Michigan, with President L. I. Lofgren, Aetna Casualty, presiding.

Extremely careful selection has been necessary in writing the bonds, due to the extent of possible liability in bank closings, but they will be written more freely this year, it was brought out, because of the recent Michigan supreme court decision which has clarified and found constitutional the law of 1932, which provides that treasurers of townships and other governmental divisions and tax collectors are exempted from liability (and their sureties, also) in case of loss caused by the failure of banks that had been properly designated as depositaries by the proper authorities.

The test case involving this act was County of Van Buren and J. W. Soap, county treasurer, vs. Grace Sprague, Paw Paw Township treasurer, and the Aetna Casualty.

Won't Resubmit Bonding Law

LINCOLN, NEB., Oct. 16.—A special session of the legislature has been called by Governor Cochran for Oct. 28. It was made necessary by the supreme court decision holding unconstitutional a law levying a cent a gallon extra on gasoline, the proceeds to be used to take care of state relief and state pensions. It is unlikely, say those in the governor's confidence, that he will ask the legislature, as he had indicated some time ago, to amend the state monopoly official bonding law, in an effort to buttress it against successful attack in the courts, which the bonding companies will shortly essay. It is understood the governor is willing that the entire act as now written should stand or fall.

Virginia Rate Revision Sought

Hearing Before State Corporation Commission Continued to Nov. 7 After Companies Present Case

RICHMOND, Oct. 16.—The hearing before the state corporation commission on the petition for a revision of fidelity and surety rates went over to Nov. 27 after the companies had submitted evidence in support of their petition. The state insurance bureau will have an opportunity to go over the evidence before the hearing is resumed.

It was explained at the hearing that the companies are seeking to bring the Virginia manual in accord with the national schedule. They are not proposing any changes on public official bonds but a number of changes are sought in fidelity, forgery, judicial contract and indemnity bond schedules. Increases sought on fidelity bonds range from 10 to 33 1/3 percent. Decreases range from 10 to 50 percent. On forgery bonds the schedules provide for a moderate increase on two insuring clauses and a 50 percent decrease in others.

Increases on judicial bonds would range from \$5 to \$10, and the rate for inheritance tax bonds and refunding bonds would be increased 50 percent. In the contract bond classifications, maintenance guarantees covering efficient and successful operation would be increased 100 percent. Contracts for

aerial surveys, charter parties, convict lease bonds and stevedoring contracts would advance 50 percent. Draying and carting contracts would also go up 50 percent. Among the company representatives at the hearing were Col. Washington Bowie, counsel Fidelity & Deposit, and Martin Lewis, assistant manager Towner Rating Bureau.

Sue Under U. S. F. & G. Bond

DENVER, Oct. 16.—The United States Fidelity & Surety Guaranty has been named defendant in a suit, recently filed by the trustee in bankruptcy for Heath, Larson & Co., which seeks a judgment for \$20,000. Heath, Larson & Co., a brokerage concern, was established by F. A. Heath and E. W. Larson, both of whom were connected with the American Life of Denver scandal. The suit declares the U. S. F. & G. furnished a \$20,000 bond to Heath, Larson & Co. in 1933 to protect it from fraud by its officers. It is charged that, while the bond was in force, F. A. Heath embezzled about \$54,000 in securities of the company. This apparently was part of the deal by which the American Life was made to buy itself. Both Heath and Larson have been sentenced to the penitentiary.

Increase Liquor Agents' Bonds

COLUMBUS, O., Oct. 16.—State examiners have recommended an increase in the bonds of state liquor agents so that no agent would have on hand more cash or liquor stocks than his bond covers. It has been found that more than 100 liquor agents have more cash and liquor on hand than the face of their bonds.

CASUALTY PERSONALS

Wallace Stevens, vice-president Hartford Accident, has just had a new book of poems published by the Alcestis Press of New York at \$7.50 a volume. Mr. Stevens prefers to be known in Hartford as an insurance man rather than a poet, but among poets he has a national reputation as a leader of the school which includes T. S. Eliot and E. E. Cummings.

H. S. Don Carlos, manager of the life and accident claim department of the Travelers, has again been appointed head of the insurance section of the Hartford Community Chest campaign. He will be in charge of solicitation in all insurance companies, through key men and company organizations.

Three insurance men are taking an active part in the annual convention of the **Direct Mail Advertising Association** in Kansas City this week. They are: R. K. Orr, president of the Wolverine of Lansing, Mich., on "Testing and Analyzing Business English;" W. G. Calderwood, treasurer Ministers Life & Casualty Union of Minneapolis, on "Direct Selling to a Class Market;" and D. J. Murphy, director of publicity General American Life, on "The Product and the Market."

Frank G. Morris, president Standard Surety & Casualty, has been visiting the Pacific Coast office of his company at Los Angeles. He plans stops in Oklahoma and Texas and at New Orleans, en route back to New York.

Three departmental executives from the head office of the **General Accident** are in Chicago this week conferring with representatives there. They are: E. M. Coyle, superintendent of the compensation and liability underwriting departments; C. L. Bearly, superintendent automobile underwriting, and A. L. Wulsterman, agency superintendent.

C. A. Abrahamson, who was elected president of the National Association of Casualty & Surety Agents at the annual

meeting at White Sulphur Springs, served as vice-president during the past year and performed as president at White Sulphur because James R. Millikan of Cincinnati was unable to attend. He is president of the Omaha Insurance Agency of Omaha.

From 1911-17 he was assistant cashier of the Corn Exchange National Bank of Omaha. After coming out of the army he had a year's experience in automobile financing and then returned to banking in 1920 with the Omaha National Bank.

Later Mr. Abrahamson became associated with the Omaha National Company in the investment banking business and in 1924 took charge of the organization of the insurance department for that company. The insurance department developed into one of the largest agencies in the city. Following the passage of the federal measure requiring national banks to divorce their affiliates, he organized the Omaha Insurance Agency and purchased the insurance part of the business of the Omaha National Company.

W. P. Harvey, assistant secretary of the Fidelity & Casualty, having completed 50 years in the service of the company, was guest of honor at a luncheon given by the company management and was presented with a gold watch. He joined the F. & C. as an office boy and later became examiner, underwriter, head of the fidelity division and later assistant secretary.

Aetna Film at Wichita

WICHITA, Oct. 16.—"The Bad Master," movie film produced by the Aetna Life group, has been shown in Wichita schools, theaters and before various club meetings here during the past three weeks. R. J. Noble, secretary Noble Mortgage Co., Standard Fire agent, secured the film and Elmer Beezley of Dulaney, Johnston & Priest, Aetna Life agents, brought his personal projection machine into action and handled the screening.

Cleveland Offers Ten-Star Program

(CONTINUED FROM PAGE 35)

sonal producers. His suggestions were based largely on his own experience with the life underwriters association. He emphasized the power of an association with a strong, virile, numerically large membership helping to correct unethical practices in the field and exerting a strong influence against ill-advised legislation. He also emphasized the educational and money value of meetings such as this sales congress, which could be conducted only by a strong organization.

"To secure the benefits of this program would be beyond the reach of the individual except by cooperating with his fellows," he said. "If only one idea with a cash value is obtained and adopted in an entire year, the agent will be repaid a hundredfold for his small investment in the dues incident to membership."

"Many a commission check found its way to my bank account because I have used sales ideas adaptable to my personal use, secured on just such an occasion as this sales congress."

He also spoke of the value of the social contact obtained in such an association and the advantage of knowing one's fellows in business rather well. He said that it inspires increased respect for and confidence in the business and also makes a better impression on the prospect to be able to refer to one's competitors, so-called, as fine, upstanding agents known by personal contact as square shooters and worthy of any prospect's confidence.

Gantz Talk Is Highlight

The address by J. M. Gantz, general agent Pacific Mutual Life, Cincinnati and Columbus, on "They Buy in Spite of Us," was probably the high point of the congress. In a dramatic, picturesquely worded presentation, he emphasized the necessity for considering the buyer's viewpoint rather than that of the salesmen. He said that there is "too much selling." He urged that agents "give them a chance to buy, and don't sell them. Adapt yourself to the way men buy rather than the way you think they ought to be sold."

He declared that education of insurance salesmen has been over-emphasized and application of common sense disregarded. Language is used that is beyond the prospect's understanding. "Remember that the average person has a mentality of 12 years," he said, "so if you present the story so that your 12-year-old son or daughter can understand it, the buying public will likewise understand." He declared that the so-called "big shot" is no different from the others "when you put him in his underwear. When he puts on that full dress suit to avoid you, take it off. Undress him and put him to bed. You must make him see sickness or injury, if you would have him buy."

Mr. Gantz feels that "disability" insurance is a most unfortunate word for the business. Most people don't comprehend the word "disability" but they do know what "sickness" means.

John A. Hill, field supervisor group and pension division Aetna Life, Detroit, spoke on "What Group Disability Insurance Can Do to Increase Your Income."

At the morning session Chairman Coffman introduced the committee members who had charge in working out the sales congress plans. He also introduced C. H. Davis, Pacific Mutual Life, Chicago, regional vice-president of the National Accident & Health Association.

E. B. Berkeley, Standard Accident, a director of the association, was chairman of the afternoon meeting. Speakers at that session included E. J. Schofield, C. E. Rickard Advertising Agency, Detroit, "Why Are We Here?", W. F. White, superintendent accident and health department Royal Indemnity, New York, "Personal Accident Insur-

ance — Why — Where — How," E. H. O'Connor, manager accident and health department United States Casualty and chairman of the Bureau of Personal Accident & Health Underwriters, "Why Specialize in Accident and Health Insurance?" and W. Edwin White, superintendent of agents commercial accident and health department Continental Casualty, "Why Sell Health Insurance?" Their addresses and that of Mr. Hill are summarized elsewhere in this issue.

Following Mr. O'Connor's address, President Althans explained the purposes and policies of the Cleveland Accident & Health Association and extended an invitation for those interested to join.

Ohio Superintendent Heard

R. L. Bowen, Ohio superintendent of insurance, received a decided ovation. He congratulated the Cleveland association on its rapid progress. He said organized efforts are appreciated at Columbus and that the business at large is benefited by unified action in legislative matters and the solution of problems generally. He asked that all accident and health men be sure to make clear what the limitations are in their policies. He even suggested putting red marks around the limitations. "We get about 400 inquiries and complaints daily," he said, "and many are due to misunderstanding regarding the limitations in policies."

Mr. Bowen outlined the principal duties of the superintendent and his assistants and reviewed the commissioners' meeting at Seattle.

Want Everything Insured

W. G. Rose, Cleveland advertising expert, spoke on "Looking Forward—Start Something," and entertained the crowd with his smooth flow of wit and humor. He predicted a new era in business, after looking pessimistically downward through a long depression.

"During that time," he said, "insurance proved itself as the bulwark of the nation's financial structure. We have had the toughest gambling lesson known to man. People will now want everything insured—their health, income, property. They want assurance that life and happiness will be safer. We are therefore launching into a new insurance age."

Mr. Rose took the word "insurance" and analyzed the meaning of each letter. I stands for "inspiration," an all necessary factor in the success of any business. "Be proud of the field you are in."

N means to be "natural" if one would reap the greatest benefits in selling.

S stands for "salesmanship," and that does not mean selling things but effects—sell protection, not insurance.

U is for "understanding," without which no one can succeed. It also means a presentation which the prospect can understand.

R stands for "resourcefulness" which means the ability to make friends. "If you have a legion of friends, business will naturally come."

A means "action," which is the keynote of the new era. "To get anywhere, you must start something."

N is for "nerve," and it takes gameness or pluck to succeed in any business.

C stands for "concentration," the ability to direct one's actions. It also stands for cooperation, and association membership will help.

E is for "enthusiasm," the most important of all.

Mr. Rose told why he himself had purchased accident and health insurance: (1) "So my income will not be reduced by the unavoidable; (2) for an investment; (3) to safeguard my budget; (4) to give me peace of mind."

A dinner given in honor of Superintendent Bowen was largely attended.

WANTED

Experienced Casualty and Surety Special Agent. Must be familiar with Northern Ohio Territory. State Age, Experience and Salary Expected. ADDRESS C-42, NATIONAL UNDERWRITER

Financial Stability

SURPLUS—It is rather unusual for an Insurance Company to have a Policyholders Surplus greater than its Liabilities, and Admitted Assets more than twice all Liabilities.

An Important Item — Seldom Considered.

ILLINOIS CASUALTY COMPANY

J. L. PICKERING, President

SPRINGFIELD

Exclusively Automobile Insurance

1915

1935

ECONOMY AUTO INSURANCE COMPANY

(All That the Name Implies)

A New Stock Casualty Company With a Twenty
Year Experienced Management

Automobile Coverage Exclusively—Standard Policies
Economy Auto Insurance Company—Freeport, Illinois

(Contracts Available to Illinois Agents)

Thirty-Three Years—Through Thick and Thin

AMERICAN CASUALTY COMPANY

READING, PENNSYLVANIA

● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

A Stock Company

Supporting the American Agency System ever since

Incorporated 1902

Opportunities for Salesmen in Income Insurance Specialists 48 States

• NORTH AMERICAN ACCIDENT
INSURANCE COMPANY • 209 SO. LA SALLE STREET
CHICAGO

All Offers Again Are Throw Out

(CONTINUED FROM PAGE 37)

any deposit made prior to the demand shall be returned."

After considering this counter proposal the superintendent advised the court of his unwillingness to recommend it; his report both as to the Nasurco offer and that of others being in part as follows:

"In view of the fact that the offer of Nasurco is radically different from the offer which was recommended, that apparently a new group not formerly associated with the company has come in and has joined with Nasurco, that the bid made this morning constitutes an option of 10 days dependent upon satisfactory terms to be discussed and agreed upon and is not a firm bid for the stock on the terms of the petition, the superintendent recommends:

"That the bid heretofore submitted by Nasurco be rejected.

"That Cabell, Ignatius, Lown & Blinken and Clark, Dodge & Co., and White, Weld & Co. be given the opportunity to buy the stock for \$8,000,000 upon substantially the terms set forth in the proceeding herein.

"That if neither of the bidders now in this proceeding desires to purchase the stock for \$8,000,000, the superintendent will then be glad to take up with Nasurco its offer submitted this morning and any other bid of \$8,000,000 or more and attempt to work out terms and conditions which will be satisfactory and which the superintendent will be able to recommend to the court."

Cabell, Ignatius, Lown & Blinken, who made an offer of \$7,600,000, stated their unwillingness to pay more, and Clark, Dodge & Co. declined to alter the form of their bid which they considered to be worth \$8,100,000. This latter was not an offer for the purchase of stock, but rather based on reinsurance, and the terms were not satisfactory to the superintendent.

After the result of the court proceedings was known Superintendent Pink said:

"The very substantial offers received for the stock of this company have been gratifying. The company has been managed without any political interference whatsoever purely as a business enterprise and has considerably appreciated in value. Vincent Cullen, the president, and the officers and directors deserve great credit for the competent and progressive management of this corporation. The fact that the company has been generally known to be for sale has a tendency to make the staff and agency force uneasy. If no definite offer is received for \$8,000,000 or upwards on terms which are satisfactory, the company will continue to operate under Mr. Cullen's successful management. Even if the company should go out into private hands it is inconceivable that any responsible group would pay \$8,000,000 or more and make any substantial change in the personnel of a company which is carrying on so well."

Attorney Wolf, on behalf of a substantial body of creditors of the National Surety, favored the bid of the group represented by Cabell, Ignatius, Lown & Blinken because it allowed 30 percent stock participation by creditors. J. S. Montgomery, counsel for another group of creditors, declared none of the bids was adequate.

In the various court hearings stress was laid upon the appreciation in the value of securities held by the National Surety since the first of the year, and the strong probability that there would be further gains this year.

Despite reports to the contrary THE NATIONAL UNDERWRITER has it upon unquestioned authority that no present or former officer, director or employee of the National Surety is interested in the proposal of Nasurco. Such assurance was publicly given in court before Justice Valente and its truth cannot be challenged.

R. E. Bockenkamp Golf Winner

R. E. Bockenkamp of St. Louis captured the main prize during the joint casualty convention at White Sulphur Springs, W. Va. This is the trophy that was donated by C. R. Miller, president of the Fidelity & Deposit. It goes to the one who turns in the best low gross score of the two days of play. Mr. Bockenkamp is a broker with the Daniel & Henry agency and is a former amateur golf champion of Missouri.

The prizes or "loot" as they are known were distributed in solemn fashion at the banquet by C. H. Burras.

The winner of the **ladies' golf tournament** for the two days' low gross was Mrs. H. M. Lyons, Bridgeport, Conn. First day low net went to Mrs. W. M. Smith, Hartford, and second day low net to Mrs. T. A. Engstrom, Philadelphia. Mrs. J. G. Yost, Baltimore, won the putting prize.

First day low gross winner for **company men** was T. A. Engstrom, Philadelphia manager, Aetna Life; first low net, W. C. Jaisnen, vice-president Hartford Accident; second low net, G. L. Lloyd, London Guarantee; third low net, C. L. Phillips, vice-president U. S. F. & G.

Winners among the agents for the first day were: Low gross, O. D. Mitchell, St. Louis; first low net, J. M. Barkdull, Cincinnati; second low net, C. M. Bend, St. Paul; third, J. W. Henry, Pittsburgh.

J. C. Malone, vice-president Retail Credit, won the low net prize for affiliated members.

Winners on the second day among company men were: Low gross, **W. G. Curtis**, president National Casualty; first low net, W. J. Falvey, vice-president Massachusetts Bonding; second low net, W. M. Tomlins, Jr., vice-president American Surety; third, Scott Harris, vice-president Joseph Froggatt & Co., New York.

Agent winners were: Low gross, T. E. Braniff, Oklahoma City; first low net, R. W. Howe, Richmond; second low net, P. L. Sisk, Tulsa; third low net, B. S. Picton, Toledo.

T. L. Kane, Spectator Co., won the low net prize for affiliated members and W. T. Deacon the two days' low net guest prize.

On the third day company winners were: Low gross, W. M. Smith, vice-president Aetna Casualty; first low net, J. Rooney, Indemnity of North America; second low net, D. St. C. Moorhead, vice-president U. S. Casualty.

Low gross score for the agents on the third day was won by J. T. Harrison, New York; first low net, E. H. Lyett, Jr., Philadelphia; third low net, J. G. Tabb, Richmond.

Winners in the horseshoe pitching contest were A. J. Crockett, vice-president Standard Accident, and C. S. Weech, vice-president New Amsterdam.

G. E. Turner, president First Reinsurance, again was toastmaster at the annual dinner which was the 25th anniversary of the association.

During the presentation of the golf prizes C. H. Burras called upon **W. G. Wilson** of Cleveland to come forward and receive a bronze medallion given to him for not playing golf. On behalf of the other players, Mr. Burras expressed his appreciation of the fact that the golf course had thus remained playable.

Seen talking together in the lobby of the Greenbrier were J. A. Diemand, W. L. Mooney and S. B. Curry, all of whom were at one time associated in the **Philadelphia Casualty**.

Mr. and Mrs. **J. G. Yost** entertained in honor of Senator G. L. Radcliffe of Maryland. Among others who entertained were the T. J. Falveys, the W. L. Mooneys, the J. W. Henrys, Mr. and Mrs. Silliman Evans and Bennett Ellison.

F. J. Roelle, Cincinnati manager F. & D., and Mrs. Roelle were vacationing at the Greenbrier and remained over for the banquet.

T. L. Haff, U. S. manager of the European General Reinsurance, attended the convention for the first time in five years and was warmly welcomed.

INDUSTRIAL INSURERS HOLD FORTH

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session with an address, "The Service of Life Insurance."

W. B. Clement, assistant secretary Pilot Life and secretary of the conference, gave the report of the executive committee. It was recommended that each member company secure the names of eligible companies for membership. Present advertising contracts will be continued. There will be two committee meetings a year, the spring meeting being an open session. The Palmetto State Life was admitted to membership. President William Wallace of that company was introduced. The application of the Suwanee Life was continued.

Health and accident insurance benefits should not be more than the insured's earnings and expenses, W. C. Turpin, Jr., general counsel Bankers Health & Life, asserted. He defined "indemnity" as making good a loss, which is the buttress of insurance. The Supreme Court has held life companies issue contracts of indemnity. The companies owe the public the duty of sending them honest and well informed agents.

Mr. Turpin suggested that the companies individually are not getting the maximum benefits from their legal departments, which are well equipped for public relations work. A verdict by a jury in favor of a company occasions surprise, he said. A legislator thinks he is imposing taxes on a rich insurance company, which is really a trustee for the funds of policyholders. Companies have impressed the public with the idea that they are rich through publishing cold financial statements which are not understood by the ordinary person. Taxation, he stated, is the burden of the policyholder and beneficiary. Lawyers can do much to lead and guide public opinion.

premium when included in standard policies. On sub-standard business, the clause is usually limited. A few companies do not have double indemnity clauses.

A committee will be appointed by the president to take up the advisability of eliminating the double indemnity clause and revising insurable interest policy provisions.

B. L. Tatman, Reliable Life & Accident, chairman good of the conference committee, recommended that member companies avail themselves of Commerce Clearing House reports, which was approved. He recommended the revision of the insurable interest policy provisions and the foundation of a legal section of the conference, the latter to deal with legislation.

Abrahamson Heads the Agents' Group

(CONTINUED FROM PAGE 35)

forces in the casualty and surety business to the end that each will recognize and be willing militantly to contend for the reciprocal interest of each other."

The second read as follows: "Whereas, in recognition of emergency conditions then existing, an agreement was made in 1932 with representatives of the surety companies, to which agreement this association was a party, whereunder a diminished commission allowance was to be specified on certain federal or federal aided contracts (where such contracts were for not less than \$2,000,000), and whereas, that agreement, by its own terms, was to be of limited duration,

"Be it resolved that our conference committee be instructed at its earliest convenience to revive and reexamine this subject with representatives of the surety companies."

Can't Find Top Man

This subject of the second resolution was the chief topic of discussion at the round table held by the agents earlier in the convention. One source of dissatisfaction is the inability to find the proper authority among company executives to pass on questions which the agents bring up. This applies particularly to government contracts and compensation. A resolution was also adopted providing in the future the round table conference be held on Monday morning preceding the official opening of the convention.

Mr. Burras offered the suggestion that the casualty and surety association should obtain the support of other agents' and brokers' organizations in seeking closer cooperation with the companies.

It was voted to support federal legislation which will prohibit the use of the mails to non-admitted underwriters, "bearing in mind that certain types of protection, notably life insurance conducted by reputable companies, may justly warrant free communication between such companies and its existing assured who may be resident in states where such a company may not have qualified for admission."

E. C. Stone Is Reelected

All officers of the International Association of Casualty & Surety Underwriters were elected.

The association voted to oppose the new tax suits which are threatening in Cook county. Resignations of the Loyal Protective and Pacific Mutual Life were reported.

E. C. Stone, U. S. manager of the Employers Liability, is president; J. L. D. Kearney, president Hartford Accident, is vice-president; J. M. Haines, U. S. manager London Guarantee, chairman executive committee, and F. Robertson Jones secretary.

September **bank attacks** totaled 21 in 14 different states, there being 16 holdups and five burglaries according to a report of the O. B. McClintock Company.

WHY YOU SHOULD ADVERTISE

Company officials sometimes ask us, "Why should we advertise in your paper?" The reasons are numerous, and should be obvious, but here is a partial list:

1. To make the name of your company well and favorably known.
2. To create good-will—a priceless asset.
3. To keep the present agency organization "sold", and of the opinion that the company is active and successful.
4. To secure additional agents.
5. To reach the public through agents. Agents are the public contact.
6. To keep the company and its set-up in the minds of insurance men.
7. To show what the company has to offer an agent.
8. To present the views of the company on various questions.
9. To make announcements.
10. To educate agents on business getting.
11. To emphasize the company's age, size, growth, history, management, financial stability and reputation.
12. To make it easier for the man in the field who has to appoint new agents.

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OLD FASHIONS AND NEW

We can properly be proud of being old fashioned

In the soundness of the company's underwriting policy;
In its friendly consideration for agents and their needs;
In its adherence to every rule of correct practice;
In its unquestioned financial standing,

Yet feel an even greater measure of pride in that

The company's well proven policies have always been
so easily adapted to the requirements of the day.

Today's business needs are not those of a few years ago.

NEW IDEAS must develop; new methods are needed,
but the basic principle of fair dealing with agents and
policyholders can never change.

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